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PROCEEDINGS
OF THE
**NATIONAL
COAL ASSOCIATION**

AT
Pittsburgh, Pa., October 23, 1917



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PROCEEDINGS OF CONFERENCE
of the
NATIONAL COAL ASSOCIATION
held at

WILLIAM PENN HOTEL, PITTSBURGH, PA.

Tuesday, October 23, 1917

PROCEEDINGS

The conference of the members of the National Coal Association was called to order at ten o'clock in the Ballroom of the William Penn Hotel, Pittsburgh, Pa., October 23, 1917, by the Chairman, Mr. W. K. Field, of the Pittsburgh Coal Company, Pittsburgh, Pa.

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MR. FIELD: I feel, as I look over this assembly of men, coming as we do from all over the United States, that we have a right to be a little more proud of our occupation. This gathering will, I am sure, have the effect of stimulating and encouraging your directors and officers to greater efforts to make your Association a success.

Some of the features of this meeting will be addresses by Mr. Hale on "Coal Transportation," by Mr. Morrow on "The Work of the Organization," by Mr. Reese on "Labor," and Mr. Hornberger on "Cost Accounting." That covers nearly every phase of the coal industry, so anything I might say would be superfluous.

I want to have only a word, however, in relation to the Fuel Administrator. Dr. Garfield has come to Pittsburgh at a great deal of inconvenience to himself. He is a very busy man and will be compelled to leave Pittsburgh this noon. We are under obligation to him for his being here and for his recognition of this Association. We want you to see what

manner of man he is, and we want you to hear him talk. Your directors and officers have promised him our co-operation and support. We have had conferences with him, and he has been uniformly courteous and considerate with us.

Gentlemen, I have the honor to introduce Dr. Harry A. Garfield.

DR. GARFIELD'S ADDRESS

Mr. Chairman and Fellow Citizens:

It is a great pleasure to be present and speak to you at this time. It is a great pleasure to address at any time American citizens, and while I appreciate the significance of this great gathering, representing the bituminous operators of the country, I realize that it is only part of a vast company, every man of whom may be relied upon as an American citizen to do his duty.

From the reports which have come to us during the last few days, I believe with equal sincerity that the great host of miners and laborers in the mines throughout the country may likewise be relied upon to do their full duty as American citizens.

In a time like this we need action, but action to be wise must be based upon careful consideration of practical measures. In glancing over the program for this conference, I appreciate that you are called upon to consider measures eminently practical; yet there is room for general comment. I take it that I am invited to be here not only that I may have the pleasure of meeting you, but to satisfy a certain native curiosity on your part concerning the man who has been asked to perform a service touching intimately your concerns. Wise consideration of practical measures is possible only when we give consideration to the whole of which our particular problem is a part.

If I may so express it, to make a cross-section of the program of this conference, there are revealed three main aspects, each related to the other,—coal, people and the war; or to put it in another way, the relation of the coal industry to the war, the attitude of those engaged in the coal industry, both operators and men, toward the war.

Now I do not believe, gentlemen, that the attitude of the great body of operators and miners in the present emergency is different from the attitude of American citizens everywhere. Whatever may have been the opinion of men during the period when discussion of great issues was the order of the day, the time came at last for action, and then men united.

I do not mean to assert that the time ever comes when American citizens are expected to set aside their convictions, but I do mean to say that because we are trained as Anglo-Saxons, time out of mind, to effective co-operation when the time for action has come, when the majority has spoken through its accredited representatives, we go forward as a united people, following the lead of those who are set in command. That is the genius of the Anglo-Saxon people, and America would prove untrue to herself if that did not prove to be the result in the present instance.

Time was when war was the chief subject considered, when barons, exercising rule over serfs, went to war when they chose, and there wasn't any consideration of the people except as they added to the strength of the arm of the baron. As civilization developed, people became of importance as people, as human beings; and in those days, in a crisis like this, two items were considered,—the people and the war. In the course of time we discovered another great element,—industry, the life of the people expressed in their daily vocations, and its relation to the people and to the war. As we progress in civilization one important item after another is added, and each forces war further into the background and makes it an instrument, a means to the end; not an end in itself.

This is not the occasion, nor would I trespass on your time, to discuss the war as an issue in itself. What I desire to do, gentlemen, is to speak to you concerning the attitude of the coal industry and of those interested in it, toward the war and toward the people, not only of the United States, but of people everywhere. I desire to speak to you upon that subject because it is the general topic that I conceive will unite the minds of all in conference upon the particular questions that will be considered by you.

It is perfectly obvious that if you are thinking simply of your own interests, you will think of the return, the profit to be secured for the coal that is mined; but as operators you do not forget, you cannot forget in the face of the civilization set up in our country, the interests of those who will use the coal, whether it be the interests of the domestic consumer or of the great factory turning out the commerce that rides upon the seas and goes into all parts of the world.

Furthermore, you cannot forget that the interests of the people united and expressed in our Government must necessarily be your interests for the time being. You cannot consider the question of profit in coal without considering the effect of that profit on the Government of the United States and on its program of action in the present emergency.

I am not saying these things, gentlemen, because I think you need to have them said, but simply to indicate to you how the matter lies in my own mind, and because I believe that as I think of it, so you think of it. The reading public, at any rate, that large section of people who take opinion ready-made, without enough thought concerning what they think to entitle them to be called the enlightened part of the public, are all too apt, when they discover great profits anywhere, to reach the conclusion that those who made the profits or control them, are somehow robbing people who otherwise would have a share in them.

I do not mean to say that wealth has not been aggressive in the past, and in many instances today, but I do mean to say that because of the factors of which I have spoken, wealth will not continue to own and control those profits without taking into consideration the people and the people's government.

In the same way, those who labor in the mines, if they consider only their own interests, would think only of the wage return, not of the people who in the end must bear the burden of paying those wages and of the Government which those wages in one form or another must support. Here again the leaders of enlightened opinion will guide, and, indeed, today are guiding the great body of the wage earners in the mines

to appreciate the full force and effect of anything which impedes the machinery of government in the present crisis. The men of this generation have been trained in the arts of peace. We have come to think of our Constitution as an instrument protecting the life, liberty and pursuits of happiness of each one of us. We not only regard with suspicion, but we resent suggestions that Government can reach out and lay violent hands upon us or upon our possessions. But the same men, who, in their wisdom, framed the Constitution of the United States as an instrument for our use in times of peace, also made provision for a drastic centralization of power in time of war, and I need not again remind you we are a people at war.

Is it more violent that Government should take out of the household the son, and set him in a place of danger, and demand of the family, as well as the young man, the sacrifice of his life, if necessary, for the maintenance of a principle which our President has set up and in which we believe?—Is it, I say, more drastic that Government should do that than that it should also enter the factory and counting house and take part of our wealth and interfere with our industry?

Government has a right in time of war to demand all of those things of us, and when at the outset I said we are a body of American citizens, I intended to include all that American citizenship covers. I intended to say that we are not only a people who will in time of peace support the Constitution and the spirit of our institutions, but in time of war will uphold the hands of Government that exercises all the power necessary to maintain the high principles of Government to which we have given our allegiance. Assuredly we will vigorously support the program of action which is framed by that Government and which will be carried out because you and I and all the people of the United States will put ourselves back of it.

Now, gentlemen, to particularize would be to do exactly what I said it is not my function to do. By way of a preface, as opening remarks next after those of your Chairman, I present for your consideration these matters of general interest, simply saying to you in briefest terms, pray do not forget

when you consider questions of traffic, of transportation, of mining, of profits, that you are, first of all, American citizens; that just now America is at war, and that the hands of Government must be upheld.

I say further to you, gentlemen, without putting it in the form of threat, or of suggested drastic action of any kind, that as long as the President of the United States sees fit to entrust me with the powers of Fuel Administrator, I shall proceed in such fashion as will produce for the United States, according to the wisdom that I am able to glean from my advisors and which I believe you will willingly contribute also, all the coal that we have a right to expect, and more; I propose so to administer this trust that coal shall move from the mine to the home and to the factory and to the Government of the United States in larger quantities than it ever moved before.

If I have a request to make of you, it is this, and yet I hesitate to put it in the form of a request, because from what Mr. Field and others have told me, I know already the temper of this assembly, but I would request, none the less, that you, as a body of citizens engaged in the mining industry, set aside any differences which may exist in your midst, and put yourselves solidly, loyally, enthusiastically, with all that means by way of sacrifice, behind the President of the United States.

ASSOCIATION PLEDGES SUPPORT

At the conclusion of Dr. Garfield's remarks, Mr. A. M. Ogle, Terre Haute, Indiana, President of the Vandalia Coal Company, in introducing a resolution pledging support of the National Coal Association to Dr. Garfield, said:

Mr. President, Mr. Garfield, and Members of the National Coal Association:

We are all, I am sure, deeply grateful to Dr. Garfield for coming here today and bringing us this big, stirring message. We have all been looking forward eagerly to this opportunity to have him meet with us as an Association, and to discuss with him our duty and our obligation toward the country at this time, and what we should do to fulfill that duty and obligation.

As I have listened to Dr. Garfield, a feeling that has been growing stronger and stronger in my mind has been brought to focus definitely into a conviction, and I now feel I have a definite realization of what all of us, both as individuals and as an Association, should do at this time.

About ten days ago I was at Camp Mills, Long Island, where the "Rainbow Division" has been assembled for some time. I was there to say good-bye to the third brother who was sailing for France, and as I have slapped each one on the back and wished him God-speed and good luck, the question has been ringing insistently in my mind, "What can I do? What is my part? What is my obligation?" I think we are here together today to answer that question, not only for me personally, but for all of us. The answer is this:

That we should, both individually and collectively, set aside, as Mr. Garfield has urged, the old questions of competitive relationship in the coal industry that have so often estranged us, and unite together as one compact and enthusiastic body to support the President and to strengthen the arm of our Allies and those whom we are sending to France to fight by their sides; to make a tremendous drive to see that the industries of this country go at top speed to furnish all the materials that are necessary for our men on the other side and the men of our Allies; to see that the ships are built to get those materials and supplies and ammunition to those men in vast quantities and always in ample time; a drive to see that this war is ended at the earliest possible moment and in accomplishing that, who can estimate the countless thousands of lives that we will save.

And as Mr. Garfield has brought a message to us today, I think we have a message to return to him, and that message can best be expressed in the form of a resolution which I now propose to you for adoption.

WHEREAS, proceeding under the war emergency act passed by Congress, known as the Lever Act, the President on August 23rd appointed Mr. H. A. Garfield as Fuel Administrator of the United States for the period of the war; and

WHEREAS, the Board of Directors of this Association, immediately after his appointment, met with Mr. Garfield

and expressed their confidence in him and offered their assistance and co-operation in dealing with the many difficult problems arising from the serious shortage in the country's fuel supply; and

WHEREAS, that confidence then expressed has grown and developed through closer acquaintance and association; now, therefore, be it

RESOLVED, that we, the members of the National Coal Association, assembled here together in our first full meeting, do hereby reaffirm our confidence in Mr. Garfield and his Fuel Administration, and pledge him, both as individuals and as an Association, our fullest and most enthusiastic support.

MR. FIELD: The Chair is going to rule that there can be no debate on this resolution. Those of you who are in favor of the adoption of the resolution will please rise.

The resolution was unanimously adopted by a rising vote.

MR. FIELD: Now, gentlemen, your Board of Directors at our meeting ten days or two weeks ago, commandeered the Secretary of the Pittsburgh Operators' Association to be their General Secretary. I say "commandeered," because that is exactly what we did. We didn't want to see him leave us, so we selected him, and he is to address you this morning on "The Work of the National Coal Association."

MR. MORROW'S ADDRESS

Gentlemen of the Association:

In one respect I wish to amend the President's introduction of the General Secretary. He said this would be an address, but I haven't any intention of making this an address. It is to be a talk with you; questions and answers will be an appropriate part of this portion of the program. At any stage, therefore, that you have any questions you would like to ask, I want you to feel entirely free to interrupt. At the outset I would like to say this:

We have heard from the Fuel Administrator of the United States, and in response to his coming we have pledged him the loyal support of the coal operators of this country. This is a general expression. It remains for this assemblage of

operators and for all of the operators who are not personally represented here to put that pledge into concrete action.

It is my thought that the National Association is in the first instance an expression of that solidified sentiment of the coal producers of the United States. Dr. Garfield and Mr. Ogle have reminded us that we have a great responsibility to assume at the present time. I want to say to the Fuel Administrator and to the coal consumers of the United States that the coal producers recognize that moral responsibility and are here to accept it.

It seems to me that the work of a National Coal Association must be essentially national. It should not concern itself with purely local questions. It may be of assistance to local organizations and to local groups of producers, but in the last analysis its function is to deal with those questions, those difficulties, those problems that are essentially national in their character; with matters, in short, that are the same for Cambria County, Pennsylvania, or for Routt County, Colorado. There are matters which concern us all equally, and it is on that broad basis that the directors of the National Association have outlined the work they expect to undertake.

At this point let us spend a moment or two recalling some of these questions and activities which are essentially national at a time like this. One of the first things which we are likely to forget at the moment is the question of conservation of coal. In this nation it has been our custom to waste annually as much coal as the German Empire mines in a year. In other words, our opponent in this war can conduct its industrial activities and can carry on its war out of the coal which we waste in this country under our present mining methods.

That is a matter that does not concern the competitive conditions between one district and another. It is a matter that concerns the coal producers of the United States first, but in a larger sense it concerns the coal consumers of the United States, and it is our business to bring home to the coal consumers that the mining industries of this country should be based on such a method of production, should be founded on such a financial basis, that we can forever get rid of that

waste of a great national resource. You know that this waste is not the fault of the coal mine operator. We must make the consumer realize his obligation in this matter. That is one function of the National Association that will endure after the war is over.

At this moment, if we are to translate into effective action our pledge that we have given to the United States to get out all the coal that is needed, and so far as possible to get it to the places where it is needed, we must consider very definite and very practical activities to carry out that pledge.

One of the most important of these practical questions, as we all agree, is transportation. It is not my intention to go into that question in detail. I merely wish to say to you that the Board of Directors of the National Association has taken up that subject and has dealt with it carefully. They have appointed a committee to go into it in detail and to confer with those that we ought to meet and to map out for your consideration here this afternoon a suggested policy.

What is wanted of you is your best thought and judgment as to what action the coal industry of the United States should take today, in view of the transportation conditions in this country, bearing in mind Dr. Garfield's injunction to us to remember that the interests of the entire country must be conserved. We cannot be altogether selfish in asking what we think we should have from the railroads of the country at the present time, and it appeals to me that it is emphatically necessary for us to bring clearly and solidly and certainly to bear on public opinion, and those in authority, our conviction as to what we must have if we are to produce this coal that the nation now requires.

You and I know that the coal operators of this country have not been remiss in bringing that conviction to the attention of those in authority, so far as they could. They have written letters; they have journeyed to Washington and appealed to those in authority; they have explained to their customers the difficulties under which they were laboring, but they lacked the united and concerted effort which could make that message of theirs effective.

In this gathering here we can accomplish that. We can speak to Washington and to the people in a voice that will be listened to. Not merely do the directors of this Association expect to talk on this subject. They realize that this industry must do its part in co-operation with the railroads. This is no time to quarrel with those whose duty it is to carry the commerce of the United States. They have their burdens, as we have ours. It is our duty to work with them, and it is equally our duty to see that we get a fair deal from them.

You all remember that last spring the Railroad War Board issued a request to the railroads to give coal and iron ore preference in transportation. That was a very promising request. We all hoped for much from it, but somehow or other we didn't get much from it. I want to say to you that one of the reasons we got little from it was because certain business men in the United States, who are thoroughly organized, but whose business is not to be compared in importance with ours, went to Washington and got that order modified.

They had eight members of the Senate and sixty members of the House of Representatives writing letters and telephoning the Railroad War Board, going to see them, arguing and threatening in order to get that order changed, and it was changed. There was no organization of the coal operators to present their claims for consideration, and they didn't get consideration.

It is our intention now that we will have a transportation department which will be keeping track of the operating conditions and transportation conditions which affect the handling of coal in this country. It will be able to go to the railroads and say, "You are not handling coal between Pittsburgh and Cleveland as satisfactorily as you could, because of certain conditions that exist in the city of Youngstown"; or they will point out some other difficulty, and say, "Let's get together and fix that up." The Board of Directors have authorized the organization of an efficient department, and it is the duty of our transportation committee to assist the Gen-

eral Secretary in seeing that the work of our transportation department is properly planned and conducted.

One of the other important questions that we must deal with at the present time is the apathy of labor, if we may call it apathy. I do not refer to union or non-union labor, but I do refer to the fact that many employees of coal mining companies do not understand the moral responsibility that rests upon them to co-operate with the mine operators and get out the coal production that this country needs.

I am not saying this in a spirit of criticism at all; merely stating a fact. These employees of ours are just as good American citizens as we are, but they need to be aroused to their responsibilities. This matter has also been referred to some men, who are entirely competent to advise us, to report to us this afternoon on this subject. Accordingly, it will be our pleasure to listen to some suggestions as to what action should be taken in that matter. We may ask the Federal Government, if it seems necessary to do so.

Another of the matters that concerns us and is of national importance, is the question of uniform cost accounting. A little over a year ago, with the then Chairman of the Federal Trade Commission, it was my pleasure to talk with coal operators in different parts of the United States, and one of the questions that concerned us was the need of such a basis for the conduct of this business. It was painfully apparent that an astounding percentage of the men in the coal mining business did not know what they were doing.

At the present time the Federal Trade Commission has asked of the coal producers of the United States a report on your costs and your income, and you all know how much difficulty it has been to you. It is expected that similar reports will be required of you in the future throughout the duration of the war, and nobody knows how much longer.

That being the case, it seems advisable to confer with the agents of the Federal Trade Commission, to see if we cannot get mapped out a more usable form. We were told that they expected the form to be improved upon, that they expected it to be revised, and that they would be glad to hear different opinions on that subject, and accordingly a committee was

appointed from all parts of the country consisting of the most practical men we could get to take up that suggested form, consider it and improve upon it.

That committee has spent days of the hardest kind of work on that subject and they have devised a form which they trust will largely meet the demands of the Trade Commission and the operators and ought to satisfy the needs of both the Government and the coal producer. That proposed cost form will be presented for your consideration. If you can see any ways in which it can be improved, we want you to suggest such improvements.

If this form can be established and the operators in the United States will adjust their cost accounting methods to that basis, we will have taken the first great step in the task of putting the coal industry of the United States on the map. In a financial sense the coal industry of the United States has never been sound. It will not be sound until the coal producers know how much it costs to produce their coal and they quit fooling themselves. Something like this cost form will put it on that solid basis that it should have.

One of the other lines of activity that the National Coal Association must necessarily take up is that of giving the public information about the conditions that exist in this business. That is another phase of our business on which we have long fooled ourselves.

We have gone along in the belief that it was nobody else's business what we did. It was, perhaps, not a very graceful sentiment, but, nevertheless, that's the way we felt. Most of us are alive now to the fact that we have made a serious mistake in that respect; that the consumers of coal in the United States and the people generally are fully entitled to full information about this business. It is our thought that they shall have it.

It is our belief that they will regard us in a very different light when they get it. I have in my desk at Washington the reports from one coal producing district in the United States, that very clearly show that the consumers of coal who depend upon the mines in that particular district need not have any worry about whether or not they will be supplied with coal,

for those mines have abundant cars and efficient transportation service for their needs during the winter; therefore, the consumers of coal who depend on that district need lose no sleep considering the question of whether or not they will or will not have coal this winter.

Should not they be told that? I think they should. They see newspaper articles stating the possibility that there is to be a severe coal shortage in the United States. They ought to be informed that those mines upon which they depend are so fortunately situated that they will not be affected by such coal shortage.

I have also in my desk papers which will tell a very different story. Those consumers depending upon the mines in this latter district are equally entitled to know that they may suffer a shortage, and they are entitled to know why. If they do know the reason there may be difficulty in getting their supply of coal, they will be much more charitably inclined toward the coal producers that supply them, because they will learn that it is not the fault of these producers.

Moreover, if they do understand that, they will certainly be ready to assist in getting the conditions changed, which make it impossible for the operators to get out that coal which those consumers need. To that entire question of informing the people of the United States about the conditions surrounding the production of coal in the United States, the directors of the National Coal Association have given the closest consideration and thought. They have organized a Public Information Service.

I hope soon to be able to announce to you the name of the man who will have charge of that service. He will make it possible for this industry to do nationally what it long ago sought to have done. These questions will not be handled without regard to your own local conditions and interests. They will be handled in the close co-operation with your local problems that they deserve, so that you individually will get the consideration and assistance that you ought to have.

It is not enough that mere generalities be given out in connection with the coal business. The thing we must do is to bring home, for example, to the people of Northeastern Ohio

the conditions governing the production of coal on which they are depending. It is equally necessary that the consumers of coal in the great Middle West should understand the conditions in their localities.

I want to take a moment to explain what this question of national work means in expenditure. You are all of you more or less familiar with the little bulletin that is issued by the Railroad War Board. It is just a little four-page pamphlet; but if we do that same thing with this Public Information Work of ours, it will cost us more than one thousand dollars a week. I maintain it is worth it. That gives you a yardstick, as it were—a sort of measure by which you can gauge the scale on which many things will have to be conducted by the National Coal Association if they are to be conducted effectively, and it is the determination of the General Secretary that they will be conducted efficiently and effectively.

In connection with the Government prices that have been fixed for coal, you should all understand that the present outlined procedure by which you are to get changes made in the fixed prices, contemplates the preparation by you of information concerning the costs of producing coal and the other facts called for in the reports of the Federal Trade Commission. These should be made out and sent down to Washington in accordance with the instructions given.

The National Association desires to be as helpful as it can in assisting local associations and groups of operators to bring their cost reports down to Washington in effective form, and with that in mind the directors have authorized the employment of an expert cost accountant so that he can assist any locality or group of operators if they desire assistance—that he can assist them after they get to Washington to see that that work is handled most advantageously there.

The Fuel Administrator, in his address to us, reminded us of the necessity of centralized and concerted action by the coal operators. The National Association is an expression of our desire to get that kind of centralized concerted action on the part of the producers in order that this country may have the coal production which it needs. That carries with it the obligation upon the part of the producers of the different

districts to do their part. It is not enough that we have a National Coal Association. There must also be in operation effective local associations, because that is the foundation upon which the National Association must be built.

Last week the secretary of a local association came to Washington to present a petition to get prices changed. In his association there were eighteen members; in the district there were fifty-five operating companies. The first question asked of him by the first Government official in Washington was this: "How many producers of coal are represented in this petition of yours?" His answer was, "Eighteen." "How many in your producing district?" "Fifty-five." Then he was asked, "What is the matter with the other thirty-seven; are they satisfied with the present prices?"

The only answer he could make was to get on the train and go back home and get the other thirty-seven. That must be done in every locality. These local associations must be built up so they are effective mediums for each district. Let me explain how the National Association must depend upon these local organizations.

The other day our Transportation Committee went over to talk to the five railroad presidents who compose the Railroad War Board about the misuse of coal cars. They gave us their version of the affair. Then we undertook to talk about the shortage of coal cars, and again we were met with their figures.

The railroads are thoroughly organized in the American Railway Association, and I take off my hat to it, and the individual railroads see to it that the national organization represents the railroads. It has at all times the information needed to take care of them; accordingly we found that we were met with arguments, facts and figures that we could not controvert. I called upon one or two of the local associations in the United States to send me their own car shortage and production statements. They did so, and when we next conferred with the representatives of the railroads, we met with the definite facts on our side. We said, "We are talking about actual producing capacity; the local association checks these reports up daily. They know exactly what these mine can

do, and, therefore, when we say to you that the production in a certain district is 200,000 tons a month below what it can be, for lack of transportation, we know what we are talking about."

That is the kind of information that we must put before the authorities at Washington today to get action. The only way that we can get those facts is through local associations thoroughly organized to take their own part. We can then help them to do that effectively in Washington. Some producers may feel that some of the work which the local secretaries ask of them is hardly worth the time it takes, but if you ever go up against a set of men in authority at Washington, you will have a painful realization of the great need of convincing information. You will know that you are lost without the help of the facts these local secretaries have asked of you.

To go back to this question of the misuse of coal cars, we were told that the railroads stopped it; that they were not permitting the loading of commodities in coal cars that should not be loaded in them. But a conclusive answer came in the form of photographs taken by one of the local organizations showing coal cars loaded with many things that had no business in coal cars at such a time as this. We were able to answer them conclusively with this information that we got through an efficient local association.

That is the kind of work the national organization expects to carry on in the coal business in the United States. It has nothing to do with anything that might violate the Sherman law. We will not permit any improper activity on the part of any local association that is a member of the national. There is a great field for these local associations and for the National Association in the highest kind of service for the coal producers and for the country as a whole. With this National Association developed and organized and supported by vigorous local organizations, with our joint work carried on for a few years—the time it takes to get big things accomplished—we will find we have put the coal business on the solid foundation of financial stability, public approval and recognized dignity which a great basic industry should occupy in the United States.

VOTE OF CONFIDENCE

MR. ZERBE: After listening to this very comprehensive report of our Secretary, we no longer wonder that our efficient Board of Directors want him in his present position. A more efficient man could not be found throughout the length and breadth of this land for this position. He is not the Secretary of the National Association; he is *your* Secretary. He is so interested in this work that he will give your interests every thought and attention that you can ask of him. He is on the job all the time and understands all of it.

But all this work is not that of our Secretary alone. Those of you who have been in Washington have seen the untiring attention and thought that has been given by this Board of Directors who have formed this great organization which we have unified into one thought.

Before we go any further, and before we lose any of the impressions that have been made by this magnificent report, I want to express the opinion of this Association by a vote of approval of the report made by the Secretary, and also a vote of confidence in him and our Board of Directors, and I so move, Mr. Chairman.

The motion was seconded.

MR. ZERBE: Mr. Field is very modest, and I, therefore, am going to put the motion myself. All in favor of the approval of this report and a vote of confidence in our Secretary and Board of Directors will please rise.

The motion was unanimously carried by a rising vote.

SECRETARY MORROW: One of the features of the work of the local associations and organizations of coal operators is developing the intimate relationship and good understanding with consumers and with everybody in their respective localities. There is one local association of coal operators in the United States that has done more in that particular direction than any other one that I know anything about. It occurred to us that it might be of interest to you to hear how they have worked and brought their peculiar differences before the people in their section of the United States

and what response they have had, and the Chairman will call on Mr. Puterbaugh to address you.

CHAIRMAN FIELD: Gentlemen, I introduce to you Mr. J. G. Puterbaugh, President of the McAlester Fuel Company, of McAlester, Oklahoma, who will speak to you on the subject outlined by your Secretary.

MR. PUTERBAUGH'S ADDRESS

MR. PUTERBAUGH: I wish to say in the beginning that I have had no adequate amount of time to consider the subject assigned to me and to give it the attention and the study that the importance of the subject and this magnificent occasion deserves. I have had to prepare the thoughts that I am going to leave with you largely on the train, and you will find them somewhat scattered and that they touch upon mostly every other subject than the one indicated by the Secretary, "Why the National Coal Operators' Association should create a Department of Publicity."

The past few days and weeks have been so full of emergency demands upon the time of every man connected with the bituminous coal industry that I wish to confess to you in beginning that I have had no adequate opportunity to give to the preparation of this paper anything like the consideration the importance of the subject assigned and this occasion deserves, and but for my appreciation of the importance of this movement and my earnest desire to assist in welding the bituminous coal operators of the United States into a permanent association that will work continuously and in many ways for the upbuilding of the industry, I should have felt it impossible to desert other duties to be free today.

As Rip Van Winkle aroused from his sleep of twenty years, stalked down from the mountain, to find himself a stranger, to find himself jeered at and misunderstood, so have the bituminous coal operators of the United States, aroused by recent events, come to a realization that they are as a class twenty years behind the times in two important departments of modern business and modern politics, and those most important departments are organization and publicity.

Battling with increasing difficulties and increasingly complex conditions, we have been each for himself and in his own way trying to solve our own problems; striving by every conceivable means to reduce the cost of production one cent per ton to protect microscopic margin of profit, which an intense and unrestricted competition has left us, overlooking the fact that in the meanwhile conditions of a national scope and character have been gathering as storm clouds gather, finally to burst, and on a moment's notice, without warning—the results of our long and earnest constructive efforts have been submerged and swept away by a tidal wave before which we have stood surprised and helpless.

So fixed and settled have been the habits and processes of the coal operator mind that many signal warnings of changing times and methods have been strangely ignored and overlooked, and not until during the past few months, when the storm of new conditions reached its climax in the supreme emergency of a calamitous war, have coal operators, as a class and to a man, at last come to a realization of the fact that the large and important factors entering into the cost of production of coal and the management of their business are being determined at places remote from the location of their properties and by people and influences to which the majority of us have been total strangers.

The first concrete evidence of the fact that we have come to this tardy realization is the formation of the National Coal Operators' Association and the fact that this convention of forward thinking coal operators have left their individual businesses at such an important and busy time to consider as a group and in a collective way the processes by which the coal mining industry as a business can be lifted out of the rut of its twenty years of lethargy and brought up to date.

The processes by which it can not only be brought up to date in fact, but the means by which its various units can be mobilized for more effective service to the public and to the nation at large; the means by which those among us, who have been their own worst enemies and ours, may be shown the error of their way, and last, but not least, the means by which public sentiment, which is now our autocratic master,

may be brought to a true and correct understanding of the many difficult and complex problems we encounter in our efforts to manage successfully the great coal mining industry, the industry upon which more than any other depends the comfort, the material prosperity and the success of our beloved country.

As a coal operator, I am frank to admit that we, as a class, have been guilty of many shortcomings, and I may add that for each and all of our shortcomings we have been and are being severely and most grievously punished. I can sincerely state, however, that in my opinion the majority of our shortcomings have been unintentional and sins of omission rather than of commission.

Had we been better organized, in these months of our country's greatest needs, we could have served the public and ourselves with far greater efficiency and satisfaction; but it must not be overlooked that before the bar of public opinion it has heretofore been regarded as a high crime for coal operators to organize. National industrial associations of every kind have been viewed with more or less suspicion and been a constant target. Coal operators employing union labor have associated in local district organizations, but these local associations have devoted their energies exclusively to the negotiation and supervision of wage agreements, and these, I may add, have kept them busy.

Many operators have for years recognized and urged the importance of legislation, which would permit organization for intelligent and proper co-operation in respect to production and marketing. The disadvantages to the industry and the greater disadvantages to the public of unbridled and excessive competition and complete disorganization in respect to production and marketing have been earnestly and seriously called to the attention of the Federal Trade Commission, in the hope that it could develop a plan or supervise an operator's plan for the solution of our problems and overcome the loss of efficiency and waste, which inevitably results from blind and unrestricted competition.

The outcome of this effort, however, was the discovery that the law creating the Federal Trade Commission and outlining

its duties gave them authority only to ferret out the evil, and they were given no authority to approve or authorize the good or to assist or be a party to constructive work so badly needed. For these reasons, therefore, the coal operators, having in their keeping the most vital basic industry of the land, have remained apart and devoid of any means of jointly promulgating the welfare of the industry or of themselves in a broad and national way.

So long as peace continued and production exceeded demand and prices all too frequently and often, for years at a time, were below the cost of production, the Government, the public and the press were in the main contented and only occasionally took sufficient interest to ascertain if, here and there, local groups of operators might, perchance, be violating the drastic provisions of State and National anti-trust laws.

I am not here to extol the virtues of coal operators. On the contrary, we are here today rather to discover and study our own faults and failures and to honestly and sincerely find a way to overcome them and raise the standard of our industry; but I do know that, in the main, the processes of the coal operator's mind are honest; that he speaks and acts directly and sincerely, oftentimes too sincerely for his own best good, and it is, therefore, not strange that these men, as a class, have not been successful as politicians, have not realized that in these later days there has grown up among us a class of individuals who play upon the prejudices of the common voter.

When public sentiment demands legislation that is constructive and honest, this class of individual is favorable to such legislation or public activity, not because it is right, but because it is popular and good politics. Consumers, since the beginning of time, have agreed with those who tell them that they are paying an excessive price. Few of us who labor will differ from the man who tells us that we are not receiving our share of the rewards for brain or brawn, and it is, therefore, a comparatively easy task for designing men to gain favor in the public mind by sowing the seeds of suspicion against those who are legitimately and in the best of faith

doing the world's work and to the best of their ability as private citizens, serving the public oftentimes for scant rewards.

It is, perhaps, only fair to admit that the business of producing and marketing coal is so complex and so intermingled with problems of labor and transportation that even the honest inquirer frequently finds it very difficult to understand, and it is perhaps only honest to admit that perhaps the majority of those who have unfairly criticized the coal industry have done so more in ignorance than in bad faith.

The public is told that there is sufficient coal in the ground to last for hundreds of years to come. As the *Christian Science Journal*, of Boston, stated in a recent issue, "For all practical purposes there is as much coal in the ground as there ever was." Therefore, why should there be a shortage? It has only to be dug out and shipped to market. Why make so much fuss about it? Its conclusion was that inasmuch as there is great shortage, coal operators and the railroads are in a gigantic conspiracy to "profiteer."

Its editor somewhere saw a photograph of several hundred loaded cars of coal, constituting perhaps a day's output of one small district, and he draws the conclusion that the railroad companies, instead of actually being short of cars, are holding this coal on track to create artificial shortage, and, therefore, higher prices in New England. The evidence is conclusive and convincing (at least to the mind of the good and honest editor of the *Christian Science Journal*), and who will doubt but that his accusations printed in his estimable and conservative journal, with a large national circulation, were believed by all his readers as an absolutely truthful and correct statement of the situation?

Thousands of other newspapers and officials, equally honest and without authoritative information, have been forced to confess to their readers that they could find no logical explanation for coal shortage and increasing prices, though many good and sufficient reasons exist.

The coal operator has been so busy trying to overcome his own difficulties that he has overlooked the fact that his main business is to serve the public, that the public is the primary factor in his business; that the object of all his effort is to

furnish the public with an adequate supply of satisfactory coal exactly when the public wants it, and that when he fails, whether because of controllable or uncontrollable causes, the public demands and is entitled to know the reasons and the causes of failure.

A lack of thoroughness is perhaps our most distinguishing national fault. Once it has a proper understanding of the facts, the great American public is fair, but the American public is unwilling to take the time to devote any considerable amount of effort to ascertaining the facts concerning any given line of industry.

Our newspapers, like ourselves, have not been thorough, and it is up to the coal operator to create a medium through which correct and truthful information can be assembled and compiled and furnished to the large majority of newspapers that are glad and willing to publish correct and truthful news. There is a wide difference between facts and what the newspaper man calls news; the coal business is a prosaic business, and it takes a special kind of talent to sort out of the stern facts connected with it and to furnish to the press those paragraphs which, while conveying truth, will attract the eye of the newspaper subscriber and excite his interest.

The public demands its information to be prepared in a most palatable and tasteful manner. The news must be fresh. Coal operators cannot be unmindful of the value of honest publicity 364 days in the year and then expect the newspapers to understand them and devote columns of space to fighting their battles on the 365th day of the year. We should consider it a part of our official business to get acquainted with the newspaper men in our several localities—they are the molders of public sentiment.

The powerful creators of public opinion and the public is today the master of the coal industry, and the coal operator is the trustee of the public in charge of a great national resource, and it is necessary not only that the coal operator should ably and efficiently serve the public and properly discharge the duties of his trusteeship, but that he should give an accounting to the public that his master may be informed

of the difficulties he is encountering and of the degree of his success or failure.

The United States started out with a representative form of government. The citizen voted for electors who assembled at Washington, and after deliberation selected a President. Now the masses, by popular vote, nominate and elect their own President and our presidential electors perform only a perfunctory duty. Our senators were formerly chosen by our legislatures. Now they are mostly selected by the voters at the primary and their election by the legislature is a formality.

Senators and congressmen in years gone by initiated and voted for such legislative enactments as they thought best, but now the constituency at home dictates, and Public Opinion is King, and legislators, congressmen, senators and presidents obey the mandate of the King, and court his smile and favor.

Thus, gentlemen, have we become a democracy, and the slogan of our times is, "Let the people rule," and the will of the people shall be our only autocrat and king. Theoretically we are in favor of this. We believe that every man should have his say, and we are in favor of equal rights and equal privileges for all, but what thinking man, who reads the signs of the times aright, and who comprehends these changes, can fail to realize the ominous dangers that threaten our institutions, our industries and our government of the business men of this country, those who have harnessed its native resources, and who, by their brain and brawn, their ingenuity and unequalled capacity for organization, have made it the richest and most powerful nation on earth—if these men, who constitute the great middle class, continue to ignore the great and increasing responsibilities of citizenship in what is fast becoming a pure democracy?

Public Opinion is our youthful King, full of possibilities for weal or woe. If Public Opinion is to rule, the public must know the truth and the whole truth about business. It must be given the facts. It must be given the opportunity to know that wages and materials cannot advance and selling prices decline.

It is natural that consumers should desire that prices be reduced. It is also natural that miners should desire that wages be increased, but the coal operator cannot perform miracles, and, therefore, an *informed* Public Opinion must help determine where the miners' rights end and where the public's rights begin.

Coal operators can develop mines and man them for operation, but if its carriers cannot furnish cars to receive the coal as it comes from the mines, his investment is unavailing and his ability to serve the public is destroyed. If the cars that are furnished are restricted to certain territory by the carriers, the coal operator cannot serve buyers outside of the territory to which he may ship, and if the miners after working three days and having earned the week's requirements, choose to indulge in four days of rest, the public should know that the mines are idle and why. If we do not let the public know, we will continue to be blamed and punished for crimes we have never dreamed of committing.

If there is even a lingering doubt in the mind of any bituminous coal operator as to the advantages of intelligent organization, it should be immediately dispelled by very brief reflection of the chaotic and disorganized condition of the bituminous industry as compared with the highly and efficiently organized anthracite branch of the industry.

When President Wilson called upon industry to mobilize for war, our anthracite friends responded, "We are ready, well officered and waiting." Their accounting was standardized, their cost sheets ready. It was easy to determine what prices would be fair and reasonable for their product. They had the data and the facts, and in such a crisis one page of facts is more effective than volumes of fault-finding post mortems and complaints, even though there is abundant room for both.

From this time we must consider ourselves as public servants and we must square our practices to the public welfare. Those among us most qualified to lead must share their genius with those of us more backward and help bring all to a realization that a new era has arrived. Petty jealousies must be forgotten, and we must stand as a unit for efficiency and a square deal. We must see that the public is fairly treated,

and we must demand a fair deal from the public, and I believe that if we see to it that the public and the legislative and executive departments of Government are put in possession of all the facts we will get a square deal and be treated fairly.

Early in my business experience I reached the conclusion that every man here and now gets what he deserves, and that the experiences that come to him, even though they appear to be misfortunes, are the experiences he needs to correct and develop him. The passing years have strengthened and confirmed this belief and taught me to discover within myself the causes and sources of my many failures, and, in closing, I would like, with the utmost of courtesy and respect, to commend the application of this policy of introspection to the bituminous coal industry in its efforts to account for its present difficulties.

The responsibility for the failure of our industry, either directly or remotely, rests upon us. We cannot blame the Government, as we are a part of the Government, and we have not exercised war rights and privileges in time. We cannot blame the public because we have slept on our rights and only half performed our duties by not seeing to it that the public was correctly informed.

And as the causes of our failure are within and not from without, so will the remedies of our ills of necessity be generated within our own consciousness, and the completeness of the cure, and the period of convalescence, will depend not upon the whips and scorns of outrageous fortune, but upon the amount of intelligence and energy and unanimity with which we enter upon the formidable task of putting our own house in order.

Scant comfort and benefit will come from lamentation and complaint. Let us set our eyes upon the dawn of a new and better tomorrow, secure in the faith and assurance that all, and only that which we deserve, will come to us.

At the conclusion of Mr. Puterbaugh's address the meeting was adjourned until two o'clock.

AFTERNOON SESSION

MR. FIELD, the Chairman, called the afternoon meeting to order at two-thirty o'clock, introducing Mr. A. Hale, who spoke as follows on the subject of

"COAL TRANSPORTATION"

MR. HALE: To one who has been in the business thirty odd years, this subject is so great and presents so many details that it is impossible to do it justice in the short time at our command. Even when the subject is confined to what a National Coal Association can do to improve the transportation of coal, the subject still continues to be vast.

We have not the time today to discuss the question of the transportation of coal by water, although there will doubtless be many opportunities for the service of the National Coal Association in connection with the water transportation of coal for export, by tidewater and lake and on rivers and canals. It is unnecessary to discuss this today largely because of the recent progress which has been made in the establishment of the lake and tidewater coal exchanges, through the initiative of Mr. Peabody and the Committee on Coal Production.

There is no opportunity to say what a National Association can accomplish in times when the transportation of the country is ample for all its needs, including the needs of the coal trade; that is, in periods of car surplus. Then the coal trade is chiefly interested in the question of freight rates, and in this question of freight rates, while individual operators and district associations will still have much to do to secure fair treatment, there is a great opportunity for a National Association to secure fair freight rates for coal as compared to freight rates of other commodities.

The matter that is before us today, and which must be faced at once, is to utilize all the transportation that the railroads can fairly offer to improve the production of coal. I take it for granted that all of us coal men are doing everything that we can to improve the transportation of coal by rail. I believe we are loading and unloading cars better than

we have ever done before, and that we are doing our best to distribute our coal, welcoming in this matter the guidance of the Fuel Administration and of the Priorities Committee; but much more remains to be done before we can be sure that the coal trade has a fair share of the transportation of the country. The question I ask today is: Are the railroads giving a fair share of the railroad transportation to the coal industry, and can the coal industry continue unless it is wisely taken care of?

I think there are certain districts where the car supply is equal to the labor supply. There are certain railroads in certain districts where there are as many cars available for coal as there is mining labor to load them; but these roads and districts are in the minority, and there are far more railroads and districts where the car supply has not yet reached the labor supply and where the production of coal can be immensely stimulated if the transportation is improved. The last figure I have from the Government indicates that in the middle of September we could have produced 12 per cent more coal if there had been cars available. I doubt if there is a district where the railroads would give 100 per cent car supply if the labor would work 100 per cent; but be that as it may, it is all the more important that the districts where there is not a full car supply should be given that car supply.

We are not only co-operating with the railroads, but with the Government, in the prompt loading and unloading of cars, and we are co-operating with them in the distribution of our coal. Many of us are distributing very large proportions of our coal at the request of the Government. We have districts where the whole output is distributed after consultation with the Government; but what is the use of knowing how to distribute coal if there is not enough to distribute; and how can we distribute the coal that is needed unless we have cars enough to put it in?

The Government, through the Geological Survey, has been giving us very interesting figures showing how much the production of coal has been cut down by various causes, and, as I have said, the figures for the middle of September stated—and truly, I presume—that the country as a whole lost 12 per

cent of its output on account of shortage of cars. That was more than a month ago, and the situation has grown worse. Every coal man that I talk with tells me the situation has grown worse, and in our case I know we are losing much more than 12 per cent.

We are losing in various districts as much as 20 and even 30 per cent, and these conditions are paralleled in other districts. There is a great incentive for us to increase the production of coal if the railroads will increase the transportation supply.

I am raising the question, gentlemen, is the coal trade receiving a fair share of cars as compared with the other trades that the railroads serve? If the steel mills have enough ore and enough stone and are short of coal and coke, does this not indicate that coal has not had its fair share of transportation as compared with transportation of ore and stone? If the public service corporations have enough machinery and pipes and wires and copper, and are short of coal, does that show a fairness in giving cars to the coal trade? If the building industries can get sand and gravel and cement and structural material and cannot get coal, does that show that coal is getting a fair car supply? And if in the houses of the poor people they can get enough food to eat, but have no coal to cook it with, does that show a fair division of cars?

I submit that this is a problem which the National Association should take up most actively. I hope you will pass our resolutions promptly, and all of you and your district associations will continue in the work which we know you have been doing in the past. For many years coal men have been using their best efforts, and with reasonable success, in securing each for himself a fair share of the cars in his own district, and we must agree that cars are more fairly distributed between mines in the same district than they were twenty or even ten years ago.

More recently the State and district organizations have been doing good work in seeing that coal cars are fairly distributed as between districts, but it remains for the National Association to see that transportation is fairly distributed as between the coal trade and the other trades of the country.

Continue pressing your local railroad people and keep after the Washington people and see that we have the fair share of cars that we should have in order to produce and ship the coal that is needed.

To ascertain, gentlemen, the mathematical question of just what is a fair share of cars will take a long time and a great deal of argument. There are four bodies in Washington who will have to pass on that question.

There is the Interstate Commerce Commission, which makes the rules providing for fair distribution of cars, and before we get a permanent solution of this question we will have to prove to the Interstate Commerce Commission just what a fair share of cars is to the coal trade. I believe we can do it. I believe when the Committee on Transportation has all the knowledge on the subject that you gentlemen have that they can show the Interstate Commerce Commission just what a fair share of cars is, and we will be able to get them; but that will take time. We cannot do that in time to meet the present emergency.

We must get relief from the Priorities Committee, which has the right, under the law, to give priority in the distribution of cars for coal. Now I am not asking that priority be given to one class of coal over another; I am asking for priority of coal over other materials, not because I want to antagonize any other industry; but because no other industry can live without its supply of coal.

Therefore, we must go to the Priorities Committee and prove to them that we are not getting a fair share of coal cars now. The Priorities Committee will send us to the Fuel Administrator, to convince the Fuel Administrator that we are not having a fair share of cars.

I believe the Fuel Administrator is almost convinced. I think that part of the job is almost done. Then, when it comes to getting the orders issued, we must get the Railroad War Board in line. I believe they will all come in line, Mr. President, but it will take the united efforts not only of your committee and the directors of the Association, but of the whole Association.

And now, Mr. President, I will ask the Secretary to read the report of the Committee on Transportation.

Secretary Morrow read the report of the Transportation Committee, as follows:

NATIONAL COAL ASSOCIATION REPORT OF TRANSPORTATION COMMITTEE

Your committee was appointed by the directors of the Association last Tuesday, October 16th, and while it was instructed to investigate and report on pertinent matters regarding the transportation of coal and to employ a traffic manager and such other employees as may be necessary for this purpose, it was especially enjoined to prepare and submit to the Association resolutions to the effect that the present crisis could only be properly met by the railroads giving a proper preference in the supply of cars for coal and for the movement of cars loaded with coal.

These resolutions were promptly framed by your committee and submitted by it to the Railway War Board, the Chairman of the Priorities Committee, representatives of the Interstate Commerce Committee and the Fuel Administration.

These conferences were informal and to a large extent confidential. In most cases the suggestions made were for changes in the preambles which we were in general able to accept.

It is safe to say that all the gentlemen consulted agreed with us that coal should be given a certain amount of preference, both in distribution and in movement. They naturally would not commit themselves as to the necessity for such thoroughgoing preferences as these resolutions will require, and most of them suggested that there might be other commodities besides food and Government supplies which should take preference over coal.

Indeed, we were asked more than once to give our views as to this, and also as to what preference should be given to various classes of consignees of coal and coke.

Your committee, while agreeing that this suggestion was proper, disclaimend any intention or duty of originating any preference as between consignees of coal. We do not believe

that the coal shipper should assume a paternal attitude toward his consignees. If, as is today so frequently the case, a coal operator is directed to supply more coal than he can produce, we believe that all contracts should be taken care of, share and share alike, excepting where preference or priority is indicated by the Government—that is, by the Fuel Administration or by the Priorities Committee.

Your committee told these bodies that we would be glad to give them anything from our knowledge and experience that could assist them in determining what preference or priority was necessary in the conduct of the war. Further than that we felt we could not go.

We understand that these four bodies are acting together and that they will continue to do so perhaps even more closely than at present, and that these resolutions of ours will be seriously considered by all of them.

We did not claim any originality for the ideas therein. They have frequently been conveyed by coal operators and by local coal associations to particular railroads and to the various bodies we have named, but this is the first opportunity that coal operators, as a whole, have had of expressing their conviction to the railroads, to the Government and to the people that they are not having a fair share of the transportation of the country, and that a calamity will result unless that fair share is promptly accorded to them.

Respectfully submitted,

ARTHUR HALE,

R. H. GROSS,

A. M. OGLE,

Transportation Committee.

MR. MORROW: I think it would be proper for me to ask Mr. Hale to read the resolutions.

MR. HALE: On behalf of the committee, I move the adoption of the following resolutions, and I solicit a full discussion of them, and we ask for all suggestions from the members who are here, that will help us in this work.

RESOLUTIONS OF THE TRANSPORTATION COMMITTEE

WHEREAS, the war in which this country is engaged is demanding tremendously increased activity in all industries; and

WHEREAS, coal is the foundation of all industrial activity and is not only vitally essential for our own home industries, but for the industries of our Allies and the requirements of our Army and Navy as well; and

WHEREAS, although coal production and the transportation of coal by the railroads has been greater this year than ever before, yet the need for coal both at home and abroad has increased in much greater proportion, so that the coal supply is rapidly becoming inadequate, particularly as the rate of production is now less than in June and July; and

WHEREAS, although in some districts production is somewhat limited by labor conditions, the present production in most districts would be materially increased if sufficient cars were furnished the coal mines and coke ovens; and

WHEREAS, we, the Directors of the National Coal Association, strongly feel that it will not be possible to avert a serious coal famine in this country this coming winter unless the mines are immediately given all the cars they may require for loading in order to produce their full capacity; now, therefore, be it

RESOLVED, that we urge the United States Fuel Administrator, the Priorities Committee, the Interstate Commerce Commission and the Railway War Board to co-operate immediately in issuing an order to be effective during the present emergency—

That open-top equipment be distributed first to coal mines and coke ovens, so that they may be operated continuously up to their full capacity; and

That preference be given the movement of coal and coke over all other carload freight, except food and Government supplies.

The motion that the resolutions be adopted, as read, was seconded.

CHAIRMAN FIELD: You have all heard the resolutions. They are now open for discussion.

MR. CAVANAUGH: Mr. Chairman and gentlemen, I think there was only one side to that set of resolutions, and I am hardly prepared to make an interesting discussion of the subject; but, as has been properly pointed out by the Resolutions Committee, coal is a basic commodity and must be given priority of movement to all other commodities or else there will be great suffering. There are, however, a great many problems that come up at the mines, which fall heavily upon the railroad management, such as caring for the industries upon their rails, which are necessarily of all classes and descriptions, and, to my mind, it is the hardest thing in the world to tell just what percentage of equipment should go to one class of industries in preference to another.

I don't think there is any disposition on the part of the railroads of the country to act in any but the fairest and most logical manner possible in the handling of their equipment; but there seems to be a very great shortage in equipment at the psychological time that you have got to have it at your particular plant. I am heartily in sympathy with the resolutions, and I don't see how anyone can argue against them. You have got to argue for them.

The motion that the resolutions be adopted was carried.

MR. TAYLOR'S REMARKS

CHAIRMAN FIELD: Mr. Harry N. Taylor, of Kansas City, will make a few remarks on his impressions of what the Fuel Committee will give us as advice in the future.

MR. TAYLOR: Mr. Chairman and Gentlemen: During the past spring and summer I have had occasion to be in Washington many times as a member of the Peabody Committee originally, and since that time as a member of the Executive Committee of this Association. We have had various conferences with the Fuel Administrator and with his advisors. As we all know, as coal operators, a few months ago we had our business taken out of our hands, and we didn't know which way to turn. We were all at sea.

We were a good deal in the position of a certain dog I heard about the other day. An old darkey was walking up and down the platform in front of a railroad station in Alabama, looking at a dog in a crate in front of the express office. He walked around the crate two or three times, and somebody said, "Uncle, where is that dog going?" "Well," said the darkey, "he don't know where he is goin', and I don't know where he is goin', and there ain't nobody knows where he is goin', 'cause he done ate his tag." That is just about the position the coal men found themselves in here a month or so ago.

I thought, as a member of the Peabody Committee, I would be relieved and allowed to go back to our southwestern country, free from trials and tribulations, but Mr. Fields and his associates put me on the Executive Board, and I was gald to take up the work, because I think it is a duty that we owe to this coal industry that all of us should add our knowledge and our strength to straighten out this tangle we find ourselves in.

I looked upon the change in our affairs with a good deal of fear as to the ultimate outcome. I went with President Field and the Board of Directors to call on Dr. Garfield, and we laid this matter before him and pledged the support of the Directors of the Association to his administration. During that conference I said to Dr. Garfield, "Doctor, there are a few things we ought to tell you." He spoke up in that bright, smiling way of his, and said, "Is the first thing you want to tell me that they ought to have appointed a man who knows all about the coal business?"

And I said, "No, not that. Thirty-four years ago there was a man who thought he knew all about the coal business, and that was me. But after thirty-four years of the hardest knocks possible, I have arrived at that point in my career where I realize that I know little or nothing about it. There are men in different districts in this country who know the situation in their respective districts thoroughly from bottom to top, and there are a few men who know the situation in several districts; but there is no one man who knows all about the coal business. But whenever you reach the place where you believe that here are men in the coal business who are just as

loyal as Woodrow Wilson or Harry A. Garfield, and just as willing to stand their share of the sacrifice, even to the sending of their sons into the trenches, and will advise with them, and believe them, we will all get along better."

Since that time we have had occasion to appear before Dr. Garfield again and again, and each time we met him we found that that good, strong mind of his had absorbed more and more of our business. He does not assume to say that he knows our business in detail; he has got two of our members, Mr. S. A. Taylor and Mr. Rembrant Peale, advising with him—men who are fair-minded and to whom we can go with our difficulties, and every time we have a conference with Dr. Garfield or his advisors, I am becoming more and more convinced of the fairness he manifests and his determination to give us a square deal, and I believe we are going to get it.

I believe if we go to these men and lay our problems before them properly and honestly, and we convince them that our case is just, we are going to get what we are entitled to; but we must remember that this is a radical and complete change; that these men have taken hold of this work without any organization; they are building an organization as they go, and they depend upon us to put the facts and figures before them, and if we will do that, I am convinced we can trust the administration to give us a fair and square deal.

MR. MORROW: In that connection, I might explain to you a little of the changed conditions under which the Fuel Administrator and Federal Trade Commission are working in Washington. You in Pennsylvania or Kansas or Illinois or Oklahoma, or wherever you happen to be located, wonder why, when your problem is put up to them in Washington, you can't get an immediate decision. The gentlemen in authority confess they don't know all the facts, and they hesitate to make a decision until they do know them. They expect from you certain detailed information.

The National Coal Association undertook to inform you how to go about presenting your claims for changes in the price of coal, and I regret to say many operators did not follow those instructions and only made trouble for themselves and those in Washington. Remember that the Federal Trade

Commission has been as hard hit by the draft as you have. Some of their most efficient men are wearing the uniform of the United States Army in France. They are swamped with detail, but they have done the best they can. I was equally confident with Mr. Taylor that they have no other idea than to give us a square deal, and they have a big job on their hands.

Several of you would like to know, in making out your reports, where you have not been keeping contingent reserve and some of the other items, whether you should include something of that kind. As near as you can get it correctly in your reports, yes, you should. The instructions say you should make these out from your books; but the Trade Commission and the people in Washington want correct information. You don't want to mislead them and yourself by merely following the literal instructions. If you haven't those items in your books, get a reputable cost accountant to go over them and include those items, and explain that while your books in the past have not carried these charges, since they are expected on these report forms, you have made the best effort you can to get them in there and to be marked so they can be distinguished. If you do that you will very materially help the work of the Trade Commission and of the Fuel Administrator. Later on you will probably want to revise your cost accounting system and your bookkeeping practices, but don't do it yet until they have adopted a permanent form.

MR. —————: In order to put into crystallized form two or three of the sentiments expressed here, I move the adoption of the following resolution:

BE IT RESOLVED by the National Coal Association, in full meeting, that it is the sense of the Association that its Board of Directors co-operate with the individual members in ascertaining and tabulating the accurate cost of production, handling and distribution of coal in the various districts, and present the same to the Fuel Administrator, for the purpose of securing reasonable and proper adjustment of prices, stimulating and increasing the production of coal sufficient for the needs of all consumers, and averting strikes and other diffi-

culties threatening the coal industry, to the end that the present war for liberty and democracy be speedily and successfully terminated.

I offer this resolution and move its adoption.

MR. JOHN L. HATFIELD, Morgantown, W. V.: The gentleman beat me to it just a little bit. I want to make this motion at this time, in view of the fact that I believe this body of men is made up of plain business men, to defer the consideration of the resolution just offered and read by the gentleman, until the feeling of this body is terminated or brought about by this motion:

I move that a rising vote be taken to determine whether or not it was the concensus of opinion of the members of the National Coal Association assembled here this forenoon, endorsing Dr. Garfield's speech by a rising vote of the members present, that all persons or corporations represented endorsed the present prices of bituminous coal at the mine, as established by the said Dr. Garfield, Fuel Administrator.

I may be laboring under the false impression that the purpose of this meeting was for the sole purpose of bringing about an amicable settlement of prices in coal mined, at the mine, or was it for the purpose of effecting an organization in order to determine that? I believe that this vote, if taken, will determine whether or not we are seeking any other purpose than an organization, or whether we want advances in prices of coal; and we might as well be fair and honest with ourselves, and not go home and say we sat by and kicked the other fellow for not getting up and saying something. If they say we want the prices that have been established, and nothing else, I say amen to it, if the majority says that. Speaking of the minority, I would say something else. I believe the men assembled here are all hard-headed, thinking business men, who deal with facts and not with oratory.

MR. MURRIWELL: The gentleman who last spoke is under a misapprehension. At least, he made a mistake which to my mind is not squaring with the facts. He said the Fuel Administrator fixed the prices in this country, and after he had fixed the prices, he appointed a Fuel Administrator. There is quite a difference between these two situations.

In my judgment, the Chairman of this meeting would be entirely in order in ruling out the motion made by the last gentleman, because, in my judgment, it is entirely out of order.

We are facing the fact: The prices have been fixed and we may or may not agree that the prices are fair. Whether we agree or not, in my judgment, makes but little difference. This country is at war. We have the worst enemy that democracy ever met to fight, and we must go ahead and uphold the Fuel Administration.

I want to say, in support of Mr. Taylor, that I have spent enough time in Washington to believe in the uprightness of the Fuel Administrator. I believe if we support those in Washington now, in the end we will get justice. Don't misunderstand me; because I have had my own bitter moments. I believed that the coal industry was picked out for a treatment such as not another industry got; but be that as it may, we cannot afford to do anything else as a national organization but go ahead and support the Fuel Administrator. That is the way to get justice, and I believe we will get justice by following that plan.

MR. —————: I want to second Mr. Murriwell's point of order. The prices placed on coal were placed by executive proclamation by the President of the United States. It has been indicated to the coal operators of this country that they have just cause for amendment of these prices. I second Mr. Murriwell's point of order that it is entirely out of order and unbecoming to this assembly at this time to take up this subject.

MR. OGLE: As I presented the resolution this morning, I think it is proper that I should say just a few words interpreting that resolution.

As Mr. Murriwell has said, the prices were not fixed by the Fuel Administrator; they were fixed by the President. If we feel that justice has not been done, we have our remedy. The resolution as presented made no reference to the matter of prices, and there was no intention that the prices as fixed by the President should be approved by this meeting. Prices were not under discussion.

MR. MORROW: I would like to say that the National Coal Association has recognized from the outset the need of getting a revision of these prices, and one of the first things they did was to ascertain what kind of procedure should be followed for that purpose.

Forty thousand of these forms were prepared for the use of the coal operators. The authorities in Washington know they could not consider individual cases, nor could they consider the entire country as a whole. They would have to consider districts, and they preferred to have the information come in in this manner. I think there is a little misunderstanding, because the committees have progressed further than the rank and file know about. They have already taken up the question of these prices, and they have the assurance that you need to have of the views of official Washington.

Not only have we sent out this material, but we have arranged to have expert accountants' services available for any district that needs them. All you need to do is to get these cost reports in there. As I said this morning, the first question that will be asked is, "Where is the other thirty-seven?" They have been sitting back in the usual manner of coal men and letting "George do it." If you want these prices revised, the way is plain. Your job is to get the facts down there before the authorities at Washington, and then get your revision.

MR. —————: I move, in support of good will and harmony, the withdrawal of the resolution, because I believe the gentleman who presented it is laboring under a misapprehension. The Fuel Administration has given to us everything in the world that it could. It has gone out of its way to show us a plan by which these matters can be adjusted. Now it simply wants to get an honest expression from this body as to what its opinion is as to price fixing. I believe we are going at it in the wrong way. I believe the committees from the various States and districts have this matter thoroughly in hand, and we are right at the point now where we can get relief, and with matters progressing so favorably, I hope the gentleman will not put the chair to the duty of declaring the resolution out of order.

MR. HATFIELD: I want to be fair with myself and my associates. I am not here to start a row or anything of that sort; but if we were honest this morning—and I stood up and voted when we endorsed Dr. Garfield's speech—if we are satisfied with the prices, what are we here for? I came for relief, and there are hundreds of other people seeking and praying for it, and they are just as patriotic as we are. Pray tell me, what would be wrong to take the sentiment of the crowd of men who are here today? If I am out of order, the Chair can so rule, and I will take it in the spirit that it comes from the President, as he says it, and if it be that way, I will be the last man to complain; but I reserve the right to stand up here and express myself, because I am a democrat; I supported Woodrow Wilson and am still supporting him. But, honestly, I would like to see this question put to vote.

CHAIRMAN FIELD: The Chair is going to rule that any discussion of prices before this body is out of order. We will have to proceed with our program.

The motion for the adoption of the resolution concerning tabulating cost of production, handling, distribution, etc., was renewed.

Motion seconded.

CHAIRMAN FIELD: No prices can be discussed at this meeting.

MR. LEWIS: It is conceded, I believe, that this is the largest representative body of coal men that has ever been assembled in the history of this country. The eyes of the nation are on this meeting. We have been told by the Federal Trade Commission of the United States that the coal operators of this country should furnish that commission with the data that will enable them to determine what it costs to produce coal in the different districts of the United States.

The Fuel Administrator of the United States, Dr. Garfield, has indicated in his address this morning how the operators of this country can get relief from any unjust conditions that may exist so far as prices of coal are concerned in any district in this country. To our mind—and I am not speaking as an operating man—I am speaking as an employee and officer of an Association that represents a production of over thirty-

four million tons of coal in West Virginia—I am not going to presume to speak even for that Association; but I am interested in an intelligent solution of the biggest problem before this country—that is the fuel problem.

It seems to me, Mr. Chairman, that the thing to do now, at this moment, is for this body to pass a resolution selecting from this meeting a committee of eleven, thirteen, fifteen or seventeen, or any other number which will be representative of the coal industry of the United States, and to that committee refer every resolution, every proposition, every document that is to be considered by this convention of coal men.

Let that committee get together, after hearing an expression from the meeting executives of the operating coal companies here, as to the best method of solving this problem. Let them formulate reports from the resolutions submitted to them, and let those reports be drawn up in such a manner as the coal men of this country are capable of doing, and let them go forth to the country, to the nation, to the world, that this is the unanimous opinion of the coal operating men of the United States, as the best method of solving the fuel problem, and the best means of standing behind the administration of the United States in this world conflict.

There is great danger in a body of this kind considering the purport of a resolution introduced here without that resolution going first through the channel of a committee competent to analyze and amend and change it and bring in such a report of this convention as will be a credit to the coal men of the United States. And after making this brief explanation, if a motion will be entertained, I shall offer one. I know it is out of order to make a motion after making the remarks on what you intend to do; but I move that a committee of fifteen men be selected from the floor of this convention, to whom all resolutions and documents and all other statements pertaining to the work of this convention shall be referred without discussion.

Motion seconded.

CHAIRMAN FIELD: We now have a very important subject to take up, the question of "Labor," which will be discussed by Mr. John Reese, who originally came from Ohio

as a labor leader, and he rose from the ranks until he is now in charge of the Chicago & Northwestern Railroad in Illinois. I believe no one can accuse Mr. Reese of entering into a deal with the miners to restrict production or to raise the price of coal, inasmuch as he uses it all himself.

MR. REESE'S ADDRESS

Mr. Reese spoke as follows upon the subject of "Labor."

Mr. President, Fellow Citizens, Members of the National Coal Association, and Fellow Sufferers of the Operating Department:

I assure you that I consider it a great pleasure and honor to address this gathering. It is "some meeting," and I believe represents the going over the hill of some associations of coal operators. This morning I was very much impressed with the importance of this gathering. It has been my good fortune to attend a great many meetings of coal men. Eighteen years ago, coming January, I attended my first National Miners' Convention in this city. I believe that this is the first real national association meeting of coal operators. I am pleased to be present. I hope that this association will be as successful as the Miners' Association has been during the past eighteen years.

As I said before, it is "some gathering." As the colored brother said in St. Louis a few years ago, when they had just completed the Railroad Exchange Building, the first floor of which is occupied by the famous Barr Department Store—Sambo and his friend were going down street, and Sambo said, "Rastus, what am dat big white building?" And Rastus said, "Don't you know what dat am? Dat am de famous Barr," to which Sambo replied, "Um, some saloon." And so this is some meeting, and I believe your Association is going to be some Association, and that the coal operators of this country need an Association of a national character, is well known, and has been well known for many years, to all those engaged in the industry.

I am supposed to discuss this afternoon the labor feature of this movement, but most preachers, you know, take their texts and consider it as a subject to stay away from, so that

in departing for the present from the labor feature, I wish to say that the National Coal Association will not only be needed during this world war, but it will be needed as long as bituminous coal is produced in this country. I hope that those in charge, who have made such wonderful progress in such a short period of time, will realize that this is not a movement simply to take care of the present crisis. The present crisis was the only thing, apparently, that would bring you into existence, but your need will remain after the Kaiser is in hell.

The average bituminous coal operator, a short time ago, when the Government, responding to the appeals of the politicians, after you had had a few months of glorious prosperity—when they took over your business and fixed your selling price on the one hand, and when that great organization of labor was controlling the other side of your industry, when all you needed to do was to arrange at the bank for your payroll—had our illustrious President called a meeting of the citizens at that time, and had an experience meeting, where all interests would have been represented, and where the fellow that had raised the price of fuel a couple hundred per cent, and where the fellow that was charging a hundred per cent more for steel rails, and the fellow that was charging a hundred per cent more for copper wire, were present—had you had such an experience meeting, the coal operator would undoubtedly have been in the position of the gentleman in one of Billy Sunday's meetings.

The last night of Billy's meeting in one community they had such an experience meeting. Every one of the congregation had arisen and testified to something the Lord had done for him or her, for which they were duly thankful, except one little brother in the rear of the church. Finally Billy pointed him out and said to him, "Surely there is something the Lord has done for you, and won't you please come forward and add your testimony to that of all the brothers and sisters present?"

So, finally, after a good deal of persuasion, he got up and started down the aisle. He was baldheaded; he was cross-eyed; he had a broken nose and a hare lip, and he was bow-legged and knock-kneed, and, in fact, he was an awful speci-

men of humanity, and when he came down in front of the pulpit, Billy said, "Now, face the congregation and tell them what the Lord did for you." So he began: "Brothers and sisters, He darned near ruined me."

The bituminous coal industry of the United States certainly had something wrong with it. We know as a miner, we know as a miner's official, we know as a salaried representative of the Coal Operators' Association, we know as a stockholder of other corporations, that the bituminous coal industry has been in bad repute.

We know that for many years the industry has not been on a good business foundation. We know that in ordinary good times coal properties have been ruined from ruthless competition. We know that many things, as your National Association will learn from time to time during the crisis and after it passes, are wrong with the bituminous coal industry.

In fact, it is a good deal like the colored chauffeur, who had taken a chauffeur's course from a correspondence school, and he was driving his boss and his family out one Sunday, when the car stopped. The chauffeur looked it over and finally put on his overalls and crawled under it. After a while he came out and said, "Boss, there's just three things the matter with this car, and I don't know what either one of them is."

One of the biggest things, however, that the industry has to contend with, and the one that I am expected to discuss this afternoon, is the labor problem. The human element in the production of a ton of coal is about 97 per cent of the trouble. The human element must be dealt with in the future on a different basis than in the past.

We, in the operating department, have found during the recent past that all standards have been changed. We realize that the miner must be treated differently than we were treated as miners twenty years ago. We realize that the standard of living has been permanently raised, and rightfully so.

Far be it from me to put myself in the position this afternoon of unjustly criticizing the labor as represented in the coal mines of this country. I would be the last to make an

unjust criticism of the miners of the United States, for various reasons. My sainted mother gave birth to seven coal miners and the wives of four other miners.

I was born within a hundred feet of a coal tippie, and never was very far away from one yet. I have received a good part of what little education I have as a member and an officer of the Miners' Union. I am in daily contact with the miners, and probably have more personal friends among the miners than any other class. I have near relatives who are still working with the picks, so that I would not for one moment utter a criticism against the American miner in this critical period of our history, unless that criticism came from my heart, and I say to you gentlemen that much just criticism is due the American miner at this time, and the only justification I have for leaving our properties, that resumed work this morning after an idleness of one week, in violation of a contract made between the operators and miners of this country, voluntarily amended with the greatest advance ever given—I would have no excuse for being here this afternoon, except that I hope something I may say may help in educating the American miner to a realization of the crisis that confronts our country at this time.

It goes without saying that the great bulk of the American miners, like the great bulk of all other classes of American citizenship, is behind the Government, and is ready to put it over the hill. The miners are ready to do their part, but, unfortunately, there is a howling minority—about 10 or 15 per cent, in the various localities, that does not have any respect, does not have any conception of its citizenship, does not know the meaning of trade unionism, and who, like the Kaiser, treats an agreement like a scrap of paper.

This element we must reach through the National Association. This element must be brought to a realization that every ton of coal they dig is necessary and they not only profit by the additional ton of coal, but that the Government profits and that everybody but the Kaiser and his allies is profited thereby, and if we can, through the Fuel Administrator, if we can through the public press, reach these individuals that are raising so much hell in the mining camps of

this country and get them to produce not a hundred per cent efficiency, but the greatest per cent possible, then the National Association will merit and receive the just thanks and commendation of American people.

In the face of an agreement made with the great bulk of the miners of this country in New York City a year ago last April, an agreement that still runs to the first of April of next year—in the face of that contract that was amended in New York last April, and was again amended in Washington last month—or still in this month—in the face of that, we have had an awful curtailment of the production of coal.

Right now, when everyone is clamoring for coal, when the main object of Dr. Garfield and his department is to produce the most coal possible and distribute it in the shortest time possible, and the coal operators of this country cannot be accused by any intelligent person of wanting to curtail the production of coal, whether the price set by the President is right or wrong, they can make no profit by not producing coal; whether the price will be readjusted between now and the first of the month on a liberal basis to take care of this additional increase to the mine laborer, or whether the price will be increased on a picayunish basis, the coal operator is interested in producing every pound of coal that he can get out of his property with safety.

That not only applies to the railroad mines which I represent in my individual capacity, which burn their own coal, but it applies to every coal man in the United States, and the miners' officials appreciate that fact, and the great bulk of the miners themselves appreciate that fact, and these local strikes, which must be prevented and must be eliminated, and if the miners' unions, where they are in control, are not able to do so with the assistance of the coal operators of this country, then it seems to me that that will be one of the duties of Dr. Garfield and his department.

It seems to me that if our National Government has the authority, and it has and we recognize it—we are glad of it—to set the price of coal, if they have a right to raise a national army, if they have a right to raise the necessary money to carry on this greatest war of all times, then they certainly

have the power to say to the American laboring man who is able to work, that he must work.

I do not believe there is any difference of opinion among true Americans as to what the outcome of this world war will be. I do not believe we disagree as to the necessity of there being only one outcome. We may find some differences about the details, but we all agree that the world must be made safe for democracy. We all agree that we are willing to buy Liberty Bonds. We are willing to pay taxes; we are willing to have our properties taken over, if necessary to do that, and we are willing to go "somewhere in France," if necessary to do that; and surely, my friends, we must have the laboring man of this country realize, and the miners in particular realize, that they cannot refuse to produce coal, when coal is necessary, to whip the Kaiser.

We realize that Dr. Garfield and President Wilson and the American Congress hesitate to draft labor for industrial service. The other countries engaged in this world war found it necessary to do so, and unless the mining industry can within its own ranks give a maximum production without any interference on the part of the Government, I hope that this National Coal Association will be ready, yea, anxious, to take over not only the fixing of prices on the commodity, but take over the human element of the industry, because we must win the war, and whatever is necessary, whatever our "bit" means, we are willing to do it, and we must not stand on old traditions, whether we be democrats or republicans or Presbyterians.

We must not only be willing to do our "bit," but we must be willing to see that the other fellow does his bit, and as coal operators, we are willing for the Government to go as far as it likes—whatever is necessary to get to Kaiser Bill, and to get him right, and get him quick, and get him for all time, and we are not ready to stop when someone else, whether it be a politician, whether it be a newspaper, whether it be a coal miner, or whether it be a United States Senator from Missouri, wants us to. We are going to insist on everybody doing his bit. I wouldn't have made that reference to Mis-

souri if I had not recently moved to St. Louis. If it had not been for La Follette, I might have moved to Milwaukee.

Dr. Garfield expressed a sentiment this morning that we can all endorse with safety. We can all assume that the great bulk of the American people is right, and they will see that the coal operator gets a square deal. They will see that the American miner is compelled, if necessary, to do his bit. One of the great problems of this Association is to educate the American public so that they know the coal operator is doing his bit, so they will know if the American miner lies down on his job and refuses to do his bit. Your Association has a great task to perform, and I have no doubt that with the officers carrying on the business at the rate they are at present, they will meet every emergency.

Any little thing that we can do to assist, I assure you we will be only too pleased to do, and don't run away with the idea that when peace is declared—when Kaiser Bill has gone where he and some of our own so-called American citizens ought to have gone a long time ago—don't imagine that any association can rest on its oars and drift along with the tide. In fact, you have taken over a permanent job. It will last, as I said before, as long as coal is produced.

It reminds me of the colored preacher's definition of eternity. He said, "Brothers and sisters, I want to announce that this morning my text is Eternity. In order to give you a proper conception of the subject, I want to say that in the ordinary human mind we do not comprehend the meaning of eternity. We speak about days and weeks and months and years and centuries, and we think we are talking about something, but compared to eternity that ain't nothing. Jest to illustrate what eternity really is, so that you will later on in the discussion follow me intelligently, now I want to explain.

"The Pacific Ocean has a lot of water in it, and the Atlantic Ocean is a long ways from the Pacific Ocean. If one of these little English sparrows would dip his little bill in the Pacific Ocean and get a drop of water and turn around and hop from the Pacific Ocean to the Atlantic Ocean, making one hop every minute, brothers and sisters, and when he reached the Atlantic Ocean, he put that little drop of water out of his

bill into the Atlantic Ocean, and turned around and hopped back one hop each minute to the Pacific Ocean and got another drop of water, and when he did that over and over again, when the last drop of water was taken out of the Pacific Ocean and put into the Atlantic Ocean by that little sparrow, then eternity would just begin."

Your hard-working Secretary, when he wired me an invitation to be here this afternoon, specified that I was to talk about twenty or thirty minutes, so don't hold him or your President or your Executive Committee responsible if I am short of terminal facilities. It is not their fault.

Your Association is certainly going to do wonders for the capital invested in the bituminous coal industry. Your Association has been started right. You have picked the right kind of timber for your officers. You have gone at it in earnest. You realize that you have to spend money—that you can't get somewhere for nothing—and you are having the rank and file of the coal operators all over the country realize that there is work that you can do for them better than they can do it for themselves, and better than any other agency can do it for them, and you will realize, as all other associations and organizations have realized in the past, that one of the essentials to keep up your Association is enthusiasm, and I hope that you will have meetings of this kind often enough to maintain interest.

You will have no trouble collecting the necessary money to run your Association if you can maintain the necessary interest and enthusiasm. Had you tried to make this Association out of existing associations—had you tried to do like the colored congregation did in getting a new church—you would not be so successful.

The colored congregation decided to have a new church, and appointed a committee in November to devise ways and means for getting the new church. On Easter Sunday morning the preacher reported to the congregation for the committee, and his report was about as follows:

"Brothers and sisters, your committee elected to devise ways and means to provide a new church is now ready to report, and their report am in the form of resolutions: Re-

solved, No. 1, that we build a new church; resolved, No. 2, that we build a new church where the old church now stands; resolved, No. 3, that we build a new church out of the lumber of the old church; resolved, No. 4, and last, that we stay in the old church till the new church am built."

Please remember that the Association in name only will not do; that the Association must add to itself and exercise authority; remember that our present troubles at the mines are not due to lack of association; they are not due to the lack of proper authority. The miners who have been on strike in Illinois during the past week, and in other parts of the country, were not striking from any lack of organization, but it was a strike from the lack of discipline and lack of proper authority. They had been ordered to stay at work; they were ordered back to work; but the properly constituted authority of their association lacked the necessary kick to put it over the hill.

It was just like Bevo. A colored fellow was explaining the difference between beer and Bevo to the Judge, and the Judge said, "What is this Bevo?" The colored man replied, "Well, Judge, it looks like beer and it foams like beer and it tastes like beer, but when you get it into your stomach, it lacks the authority."

I beg of you don't ever let your Association in the years to come lack authority. Permit me to say to you, gentlemen of the National Association, and those who are not, but are eligible, and I hope you will soon become members, that I hope this National Association will fill a long-felt want.

It is time the coal operators of this country have a real working association. I hope you now have it well started on its way, and when the history of this world-wide conflict has been written, let it be said that the bituminous coal operators of this country contributed their full share to the success of that movement. Don't let us at any point permit just criticism of our acts, notwithstanding that we were treated as you and I think we should not have been treated at certain stages of the game. Let us fall in line with Dr. Garfield and President Wilson and put it over the hill. They will treat us right when they know what the right thing is, and it is up

to us to bear whatever burdens are put upon us to win this greatest war.

In conclusion, let me repeat the words of the poet:

“He best serves God who best serves man,
And whenever wrong is done to the least and humblest
Beneath that all-beholding sun,
That wrong is also done to us;
He is a slave most base
Whose love of right is for himself,
And not for all his race.”

MR. OGLE read the following resolution, the author thereof having left the meeting:

BE IT RESOLVED by the National Coal Association, in full meeting, that it is the sense of the Association that its Board of Directors co-operate with the individual members in ascertaining and tabulating the accurate cost of production, handling and distribution of coal in the various districts and present the same to the Fuel Administrator for the purpose of securing reasonable and proper adjustment of prices, stimulating and increasing the production of coal sufficient for the needs of all consumers, and averting strikes and other difficulties threatening the coal industry, to the end that the present war for liberty and democracy be speedily and successfully terminated.

A motion that the resolution be adopted as read was seconded and carried.

MR. HORNBERGER'S ADDRESS

CHAIRMAN FIELD introduced Mr. J. L. Hornberger, Comptroller of the Pittsburgh Coal Company, who spoke as follows upon “Coal Production Cost”:

Not the least important of the things possible for accomplishment through the organization of the National Coal Association is the adoption of a draft form of statement of coal production cost and revenue and a standard manual of cost distribution. The importance of these things is emphasized at this time by the Government procedure, under which the law of supply and demand is set aside and cost substituted

as the factor determining and limiting the selling price of coal. We have entered upon a period of governmental regulation and control of business. As you know, the Federal Trade Commission now demands exact information concerning coal production cost and revenues, and it only remains for us to prepare and submit the same. In this view of the matter, your directors have appointed a committee whose duty it is to prepare the desired form and manual, which it is hoped will be approved by the Government and adopted by all coal companies of the country.

The committee is at work on these things now, and makes a preliminary report today in the form of a tentative outline draft of production cost, with the request that the same be given careful and critical examination by all members of the Association and their accountants, and that criticisms and suggestions be promptly communicated to the committee for its consideration. Operators, with few exceptions, have had cost statements; some very complete and exhaustive; some not so much so; and some very crude, incomplete and misleading. Some operators have studied their statements carefully, and with profit; while others, in this class perhaps the majority, have made little use of them. In many cases they did not wish, did not dare, to know the full measure of production cost.

As a result, whether or not so intended, their earnings accounts have been swelled by amounts borrowed from the future, and the not too discriminating stockholders have received dividends based upon the inflated earnings accounts, rather than upon cash surpluses available—to the companies' undoing later, in times of financial stringency. Former Chairman Hurley of the Federal Trade Commission says:

"A preliminary study of industry generally, as made by the Federal Trade Commission, revealed the fact that not more than 10 per cent of the manufacturers know what it costs to produce their goods, and that the remaining 90 per cent are pricing their good arbitrarily, either by guesswork or fixing their prices to conform with, or to beat the prices made, or supposed to be made by their equally ignorant competitors—and, further, that only a very small percentage of

manufacturers make any charge for depreciation of plant and equipment—and that, therefore, their products are priced before reckoning this important and vital item.

“To this is due the great demoralization in many lines of industry and the high business death rate. The Government, through the Federal Trade Commission, by recommending the subject of costs and by offering to aid in the actual development of proper cost system, is endeavoring to do a constructive piece of work of the greatest importance.

“The problems of credit and finance of foreign trade and unfair methods of competition and of labor and capital will begin to solve themselves, once the subject of costs receives, on every hand, the attention it rightfully deserves.”

“Officers of the companies and firms who are cutting prices right and left, irrespective of their costs, are not fair to their customers, stockholders or competitors.”

While his reference to price cutting sounds somewhat ironical, under present conditions and for the time being, at least, coal operators are absolutely innocent of such misbehavior, we know that under normal conditions Mr. Hurley's arraignment applies with special force to coal operators.

Knowledge should precede action, and so in this time of the stress and strain of war, it is the intention of this Association, as well as the desire of the Federal Trade Commission, to prepare for peace and normal conditions of coal production by standardizing accounting to the end that the selling price of coal may have a more intelligent and reasonable relation to production cost than has been the case under normal conditions in the past.

Our Cost Accounting Committee may be depended upon to work out forms and methods of distribution which will enable managements and governmental authorities to more readily follow the details of cost; but the trouble in the past has been not so much in details of distribution or in form of presentation as in a disregard of the more fundamental matters related to capitalization. I refer more particularly to charges for depletion and depreciation of plants and equipments, and the bookkeeping treatment of expenditures for the maintenance and extension of mine plants and equipment.

It has been a common fault and error to either overlook entirely the matter of property exhaustion through mining or to make an utterly inadequate charge for such exhaustion. A new interest in this matter is stimulated by the provision of the Income Tax Law of 1914, permitting owners of coal lands acquired prior to March 1, 1913, to revalue them on their books as of that date, and thereafter to deduct from taxable income, as mining depletion, amounts commensurate with such new value; and in a Treasury decision (No. 2446) construing the law referred to, it is ruled that:

"In the case of mines (other than oil and gas wells), if the property was acquired prior to March 1, 1913, the amount of invested capital which may be extinguished through annual depletion deductions from gross income will be the fair market value of the mine property as of March 1, 1913. The value contemplated herein as the basis of depletion deductions authorized by this title must not be based upon the assumed salable value of the output under correct operative conditions, less cost of production, for the reason that the value under such conditions would comprehend the earning capacity of the property.

"Neither must the value determined as of March 1, 1913, be speculative, but must be determined upon the basis of the salable value en bloc as of that date, of the entire deposit of minerals contained in the property owned, exclusive of the improvements and development work that is, the price at which the natural deposits or mineral property as an entirety in its then condition, could have been disposed of for cash or its equivalent.

"The value en bloc having been thus ascertained, an estimate of the number of units (tons, pounds, etc.) should be made. The en bloc value divided by the estimated number of units in the mine or mining property will determine the per unit value, which, multiplied by the number of units mined and sold during any one year, will determine the sum which will constitute an allowable deduction from the gross income of that year on account of depletion.

"Deductions computed on a like basis may be made from year to year during the ownership under which the value was

determined, until the aggregate en bloc value as of March 1, 1913, of the mine or mineral deposits shall have been extinguished, after which no further deduction on account of depletion with respect to this property will be allowed to the individual or corporation under whose ownership the en bloc value was determined.

"The precise detailed manner in which the estimated fair market value of mineral deposits as of March 1, 1913, shall be made must naturally be determined by each individual or corporation interested, and who is the owner thereof, upon such basis as must not comprehend any operating profits, the estimate in all cases to be subject to the approval of the Commissioner of Internal Revenue.

"Every individual or corporation claiming and making a deduction for depletion of natural deposits shall keep an accurate ledger account, in which shall be charged the fair market value as of March 1, 1913, or the cost, if the property was acquired subsequent to that date, of the mineral deposits involved. This account shall be credited with the amount of the depletion deduction claimed and allowed each year, to the end that when the credits to the account equal the debits no further deduction for depletion with respect to this property will be allowed. The value determined and set up as of March 1, 1913, or the cost of the property, if acquired subsequent to that date, will be the basis for determining the depletion deduction for all subsequent years during the ownership under which the value was fixed, and during such ownership there can be no revaluation for the purpose of this deduction, if it should be found that the estimated quantity of the mineral deposit was understated at the time the value was fixed or at the time the property was acquired."

Summing up, this means: This increment or gain on the coal acquired prior to March 1, 1913, and which remained unmined at that date, in many cases was about all that the operator had to show for his enterprise, his risk and his hard work of many years. This provision in the law secured that gain to him as a surplus at that time.

Another phase of this matter which I suggest for your consideration is the bearing that it may have on the amount

of invested capital deductible in the computation of excess profits under the law of 1917. I would not feel that I had done my duty if I did not add a word of caution. It doesn't mean that we have a right to fix high and unreasonable values. You notice the Treasury decision says that the revaluation of the land must be satisfactory to the Commissioner of Internal Revenue. I apprehend—in fact, I understand that some corporations have shown a decided tendency to over-reach in their revaluations. I am glad to be able to say we have it from very good authority that the transgressors along this line are not coal men, and I hope that may continue to be true.

Then, too, rising for a moment to the plans of the address of our Fuel Administrator this morning, our patriotism is appealed to. We should not try to take any selfish or unfair advantage or to do anything that will bring criticism and reaction upon us.

There is perhaps no single phase of accounting more complex or troublesome than the matter of a proper rate of plant and equipment depreciation; hence nothing in which there are more differences of opinion and practice—I may add, nothing in which managers and accountants may more easily and with the best of intention deceive themselves and each other. Your Cost Committee has already spent many hours in discussion of this subject, realizing its paramount importance.

A coal mine differs from a railroad or a manufacturing plant in two essential particulars:

(1) In that it is a wasting property, and the term of use of its plant and equipment is limited by the acre of coal to be mined, and

(2) In that its installations of plant and equipment have to be constantly added to and duplicated in order that its capacity may not run down or *be decreased*.

When railroads or manufacturing companies add to their plants and equipments, the result is increased capacity, business and earnings, and the use of all such extensions and units of equipment is limited only by the life that they have in themselves; that is, they are used until they are worn out or become obsolete; they do not become scrap and salvage

merely because there is no more product for them to work upon, as in the case of mine extensions and improvements. Then, too, the conditions of use of equipment in a mine are admittedly the very worst possible, and salvage value of mine installations is almost negligible.

In the opening and development of a new mine, and the installation of its plant and equipment, all expenditures should be capitalized, including the cost of entry work and development, with credit for the full sum realized upon its product, until such time as the projected capacity of the mine is realized. When this point is reached, and the mine is considered to be on an operating basis, a rate of depreciation should be fixed as a charge against future operations, which will extinguish the investment in the plant and equipment within the estimated period of their use. A very small percentage, if anything, should be allowed for salvage at the end of such period.

Considering that charges for maintenance and repairs will be smaller in the early years, and will grow with every year of the operation of the mine, it is, I believe, desirable that depreciation should be charged on a reducing scale; that is, the amount of each year's depreciation should be deducted from the value upon which depreciation is charged for the next year; and that the rate should be fixed in a sum which will merely replace the original capitalization, and will not be called upon to stand charges for future renewals. For a mine with a life of twenty years or more, 10 per cent per annum is a fair rate of depreciation. Reducing the investment each year by the depreciation for that year, the amount of depreciation charged off would be 10 per cent of the original cost for the first year, 10 per cent on the reduced amount, which would be equal to 9 per cent of the original cost, for the second year, 10 per cent on the reduced amount, which would be equal to $8\frac{1}{10}$ per cent of the original cost, for the third year, and so on.

On this scale, approximately 65 per cent of the investment is extinguished in the first ten years, and the depreciation of the eleventh year, being 10 per cent of the 35 per cent remainder, is equal to $3\frac{1}{2}$ per cent of the original investment.

The amount of the first cost unextinguished at the end of the twenty years would be 12 per cent.

In the case of a mine with only fifteen years' life, the rate of depreciation should be about 15 per cent, on a reducing basis, and in the case of a mine with only ten years of life, the rate should be about 20 per cent, on a reducing basis.

As already indicated, these rates are predicated upon the assumption that all expenditures made at such mines, except in well-considered cases in which the installations represent a substantial intrinsic value, extending beyond the life of the mine itself, should be charged, as made, to operating account.

Interest, whether actually paid on outstanding debt, or computed on capital employed, is not generally considered to be allowable as production cost; yet it is a very important matter that interest on capital employed should be taken into account in determining selling prices, and your committee will not overlook it in its form of statement and manual.

Your committee will also feature and emphasize the importance of a fund out of which to pay extraordinary losses which are not insured, such as coal lost through squeezes, cave-ins, mine fires and explosions; property lost through floods, and workmen's compensation incident to such catastrophe, which is not insured against; and many other things which might be referred to in this paper, if time permitted, will be covered in the manual proposed to be published in the near future, and in the preparation of which all managers and accountants represented in the Association are asked to co-operate with the committee.

The preliminary report, as I have already indicated, is embodied in two drafts of forms that will be found on the table at the door. Those who are interested and wish to have these forms may obtain copies there and the committee will be very glad to have criticisms and suggestions.

It is the intention of the committee to do a good, faithful piece of constructive work in the preparation of a standard form and a standard set of rules for distribution of costs.

I count it a great honor to have been invited to speak to you, and I trust that the time which I have consumed in the

presentation of the subject assigned to me will not have been wasted.

MR. TAYLOR: I move you that the report of this committee be approved and that the committee be instructed to conduct their work in connection with the Federal Trade Commission, and when a form is agreed upon that has the approval of that commission, that it then be made the standard of this Association.

Seconded, with the suggestion that the paper be printed in convenient shape for distribution.

MR. TAYLOR: I will be glad to add to the motion that the paper be printed and distributed.

The motion was carried.

SECRETARY MORROW: The following resolution has been introduced by Mr. F. H. Knight, of New Bethlehem, Pa.:

WHEREAS, it is the sentiment and conviction of the National Coal Association that the saloon is a contributing menace to the efficient production of coal; now, therefore, be it

RESOLVED, that we hereby appeal to the President of the United States to declare all territory within a radius of five miles of any coal-producing mine a dry zone during the period of the present war.

It was moved, seconded and carried that the resolution be adopted.

MR. PUTERBAUGH: I would like to get some expression as to what should be the fiscal year for coal accounting. We are just starting on a long journey, and it appeared to me that as yet we have a very slight conception of the change that has come over the bituminous coal industry by reason of our being under Government control. We are going to keep our books alike, and I should like to know whether our fiscal year shall be the calendar year or the year ending March 31st, or at some other period.

THE CHAIRMAN: I am going to ask Mr. Hornberger if he has a suggestion to make.

MR. HORNBERGER: We haven't given that any consideration, but speaking for myself, I should think all coal producing companies might well make the calendar year their

fiscal year. There might be some cases where another fiscal year would be preferable, but on the whole, if we attempt to standardize, there should be no question about making it the calendar year.

MR. McKINLEY: I move that the question of what shall be considered a fiscal year be referred to the committee.

The motion was seconded and carried.

After a request by Mr. Parker, Treasurer of the Association, for payment of assessments, on motion, duly seconded, the meeting adjourned.

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PROCEEDINGS

of the

First Annual Convention

of the

National Coal Association

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The Bellevue-Stratford Hotel
Philadelphia

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MAY 28 and 29, 1918

PROCEEDINGS

OF THE

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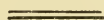
OF THE

National Coal Association



The Bellevue-Stratford Hotel

Philadelphia



May 28 and 29, 1918

FIRST DAY, MAY 28

MORNING SESSION

THE First Annual Convention of the National Coal Association convened at the Bellevue-Stratford Hotel, Philadelphia, Pa., at 10:45 o'clock a. m. Mr. W. K. Field, the President of the Association, Presiding.
The Chairman called the meeting to order.

ADDRESS BY THE PRESIDENT.

THE CHAIRMAN:—Gentlemen of the National Coal Association:

We are met to-day in the City of Brotherly Love. It is the first occasion I can recall that any such number of coal operators have gotten together in any such spirit.

We are here to-day in a serious mood to discuss the common problems affecting us all, to one end and one only—that we may render better, fuller co-operation to the government.

We have come together to-day as trustees of the chief item of America's industrial strength—the production of coal. We have come to take account of what we have done in the past and to reckon on the future. And more than that, I take it if this meeting means anything at all, it means we are here as a pledge to our Government, our people and our allies—that the coal producers of the United States will leave no stone unturned, no step untaken, no act that we can do undone, toward the winning of the war. (Applause.)

We have made definite progress since the coal industry was virtually taken over by the Government. At the time the National Coal Association was formed, the industry was represented by hundreds of individual operators, engaged largely in the prosecution of their private business affairs. Since the National Coal Association was formed, we have subordinated these private affairs to the public affairs of the nation. The coal man is finding himself; he is taking his proper place in the nation's business; he is showing the resolution and the ability to do his part, with proper dignity, for the good of the common cause.

To Help the Government

The foundation of the National Coal Association is co-operation with the Government of the United States. We say to the Government, "Tell us what you would have us do, and we will do it to the full measure of our ability." That is the road we have been traveling since we first met the Government's call in materializing our endeavors. And that is the clear duty ahead of us. The road lies in that direction and in that direction only. To some of us the journey has had its discouragements, its obstacles, and its disappointments. What course does not have them? Some of us have felt and feel we were not given the same advantages others were given; some districts, doubtless, have felt and feel other districts were favored over and above them and at their expense; some of us have felt, perhaps, at times the way was made hard for us unnecessarily, and some of us doubtless have criticised the Fuel Administration for many things, and I suppose we were within our rights in feeling that way, at times, yet we should remember the task of the Fuel Administration has been no light one. Mistakes have been made; but who doesn't make mistakes? Some of us feel there has recently been a serious mistake made, but even so, this is no time to sulk; the mistake is only partial; the passing of preferential distribution of cars is a distinct victory for fairness, so let us turn our endeavors to increased production and if any of us are hurt as to prices, and some of us are, take it up in the proper manner with the Fuel Administration, but looking back over the past nine months, I think I can say without reservation the majority of its rulings have been fair; and where mistakes have been made they have been mistakes of judgment and not of intent.

Benefits Have Been Mutual.

While we want to be modest in our claim, we also believe we have been a real benefit to the Fuel Administration. It has been hard at times to take our medicine, but we have taken it, made a face, perhaps, and gone on. We have given the Fuel Administration our heartiest support; we have recognized this country is at war and needs our efforts; and so we have contributed them whole-heartedly and to the utmost.

There is abundant reward to every man who does his duty as he sees it, in the consciousness that he is doing his duty. We have, at least, the reward of our consciences. And I think the American people are awakening to the consciousness of what the coal producers of the country are trying to do. When the National Coal Association was organized, the coal man was not

regarded, as a whole, with any very high degree of public approbation. He was more or less discredited. Public sentiment here and there was against him, hostile for no special reason save the coal man himself has been too long neglectful of public sentiment.

By the full performance of our task we have gone far toward effacing that feeling of hostility. The country is beginning to realize that its prejudice was unjustified. So long as we continue in the performance of our duty, so long as we subordinate our private affairs to the public need, we may expect the public to accord us its support. We are gradually taking our rightful place in public esteem.

There is another subject I want to touch upon and then I am finished. Those of you who know me, know I am not an orator. I have no illusions as to that myself, so I shall not claim your attention much longer.

I am within a few hours of the end of my time as President of the National Coal Association. Here and now I want to thank each and every member for the hearty support and co-operation that has been extended the officers and directors of this Association. It is your support that has enabled us to make progress. And to each director, officer and employee, I also wish to extend my heartiest thanks for their support.

Declines Re-election.

I desire to establish a precedent for our Association. While there is nothing in our constitution or by-laws touching on this question of a second term for its President, I want to endeavor to establish that precedent by declining to be considered for re-election. The honor you have conferred upon me is a very great one, and I cannot express my sincere appreciation. But because the honor of being President of the National Coal Association is a great one and because we have many members who are qualified, I feel no man should lay claim to it a second time; it should be passed on each year to some one of the many men in our Association so splendidly qualified to fill it.

I am much obliged for your attention. (Applause.)

The next item on our program is the Credentials Committee.

COMMITTEES.

MR. BARKER:—I note by the program that the next business in order is that of credentials. I move you, sir, that a Committee of Five men be appointed as a Committee of Credentials.

Motion seconded.

THE CHAIRMAN:—Gentlemen, it has been moved and it has been seconded that the Committee on Credentials, composed of five men, be appointed by your Chairman. As I understand, Mr. Barker?

MR. BARKER:—Yes, sir.

THE CHAIRMAN:—All those in favor of such committee being appointed by the Chair, please say "Aye." (Ayes.) Contrary, "No."

Motion carried.

MR. TAYLOR:—Gentlemen, I move you that a committee of five be appointed by the Chair to serve as Committee on Nominations and Election of Directors.

Motion seconded.

THE CHAIRMAN:—Gentlemen, you have heard Mr. Taylor's motion that the Chair appoint a Committee of Five on Nominations and Election of Directors. All those in favor of the motion will say "Aye." Contrary, "No."

I would suggest that as the different members arise to speak, that they will give their names and the districts that they represent.

Credentials Committee.

The Chair will appoint a Committee on Credentials, as its Chairman, Mr. Barker, also as members of the Committee:

W. L. A. Johnson,
William Collins, from the Eighth District of Ohio,
Mr. W. B. Ord, and
Mr. A. R. Hamilton.
Are all these gentlemen here?

Nominations and Elections.

The Committee on Nominations and Election of Directors will be:

Mr. H. N. Taylor, as Chairman.

Mr. G. C. Weitzel.

Mr. W. M. Henderson.

Mr. H. C. Adams.

Mr. Calvin Holmes.

MR. BOTTING:—I move you that the Chair be authorized to appoint a Committee on Resolutions consisting of five members.

Motion seconded.

THE CHAIRMAN:—Gentlemen, you have heard the motion that the Chair appoint a Committee of Five as a Resolution Committee. All those in favor say "Aye." Those opposed say "No."

Resolutions Committee.

The Chair will appoint Mr. Botting Chairman of the Resolutions Committee and Mr. Arthur Hale, Mr. W. G. Duncan, Mr. Watkins, and Mr. E. E. White as members.

There are notices over the rooms in which the various committees are to meet.

MR. TAYLOR:—Would it be in order to name one other member of the Committee on Resolutions? If it is, I should like to name Mr. Thomas Lewis as a member of the Committee.

THE CHAIRMAN:—That is a very happy thought. Is there any objection to making that committee a committee of six, to include Mr. T. L. Lewis?

There being no objection, the Chair will appoint Mr. Lewis a member of the Committee.

We also had a rather permanent committee on organization. That is to report this afternoon, and the committee consists of Mr. Barker, Mr. Gross and Mr. Ogle.

MR. BARKER:—Before the Convention's work proceeds it seems to me that the Credentials Committee ought to get busy, so we will know who is authorized to vote, and if there is no objection, the Chairman of the Credentials Committee would like to meet the members of that Committee in the room assigned us at this time.

THE CHAIRMAN:—We expect all these committees to report this afternoon, just after the beginning of the session, and I would suggest you get busy with all these committees.

Before we hear the report of the General Secretary, we will hear the report of the Treasurer.

MR. BARKER:—The report of the Treasurer is not in readiness for the very good reason that money is still coming in. I am sure that you gentlemen would not want to stop the flow of money into the treasury by asking for a report at this time. If you please, I will give it to you a little later.

REPORT OF THE GENERAL SECRETARY.

MR. HELM:—On the 23rd of last October, in Pittsburgh, the organization of the National Coal Association was effected at a massmeeting of operators. At that time it included 120,000,000 tons of coal. In the meantime, the membership of the Association has increased until it will include, when the applications for membership now before us are acted on, approximately 350,000,000 tons of coal. (Applause.)

As yet the anthracite producers have not joined the Asso-

ciation, but inasmuch as this is intended to be a national association of coal producers in every sense of the word, and will deal only with questions which affect the industry as a whole on a national scale, I think it not only proper but definitely desirable that the Association at this meeting extend a formal invitation to the anthracite producers to become members.

Through The Daily Digest you have been made currently familiar with most of the doings of the Association. You should know that its relations with the various departments in Washington are harmonious, and that it is co-operating with the various agencies of the Government to the fullest degree at the present time.

It has not been possible to carry out all the work which the Association has desired because of limited office quarters in Washington. That difficulty will be remedied about the first of August, when the new offices of the Association will be ready. At that time, it will be possible for the Association to organize its cost accounting department and to extend its work in other directions as occasion may demand. In connection with the new offices of the Association, I wish to say that we have room enough, so that any of the member associations which may be having business in Washington, will find rooms there which they can use as offices for themselves while they are in Washington, and where stenographic and clerical help and assistance of every kind will be available.

We wish the National Coal Association headquarters in Washington to be equally the headquarters of every member of the Association and of all the local associations that comprise its membership. (Applause.)

Report Delayed.

THE CHAIRMAN:—I do not see Mr. Hornberger. He is down on the program next for the report of the Committee on Cost Accounting.

Delegates representing all Eastern Kentucky Associations will meet in this room immediately after the adjournment, on the right of the stage.

Mr. Hornberger seems to be absent for the present, and we will have his report later. In the meantime we are going to hear from Mr. Morrow.

MR. MORROW'S ADDRESS.

MR. J. D. A. MORROW (General Director of Distribution, United States Fuel Administration):—I explained to Mr. Gar-

field that as General Director of Distribution for the Fuel Administration, there were some matters in connection with the plans for the distribution of coal that I desire to talk over with the members of the National Coal Association, and with the other coal men who might be here, and he expressed himself as approving of that procedure entirely.

But the gentlemen who have in charge the matter of giving out officially and publicly what the Fuel Administration has to say seemed concerned that some precious word of what I utter might be lost unless what I said was written down. So among us we spent a good deal of time studying it very carefully and phrasing it very properly, and I think nearly everybody has seen a copy of those remarks except myself, and I officially serve notice on the gentlemen in question that I intend to get up here and talk as I please and enjoy myself.

Every country that has gone into this war has promptly found itself faced with a very difficult coal problem. In Great Britain, within six months after war had been declared, 250,000 coal miners had enlisted, and the production of coal in Great Britain fell off twenty-five million tons in those six months. The railways were congested with traffic, and she faced an industrial crisis. England met that problem by taking over her coal industry absolutely, by fixing prices, by zoning the movement of coal on her railway lines, by putting into effect regulations concerning distribution and supply of coal more rigid than anything we have had in this country. In Germany, the production of coal fell off thirty-five million tons in the last six months of 1914, which was a reduction of nearly 20 per cent. In the next year, the production declined another twelve million tons.

The Industry in Germany.

We have no authoritative figures of the German industry since the year 1915, but we do know that they have been so short of coal in Germany that the suffering there among the ordinary people during the winter was more severe than anything we had in this country, and very strict and rigid measures have necessarily been imposed by the German Government in order to support their war machine as they had to support it.

The important French coal fields were overrun by the enemy at the outset of the war, and their production was cut squarely in two. The supply there has been cruelly short, and every pound has been distributed by the Government. That has been the case also in Italy.

So it is nothing unusual for us to have a coal crisis in this

country. You are all familiar with the insatiable demand for coal that coincided with congested traffic on our lines, and within six months after the declaration of war the United States had set up a Federal Fuel Administration, the industry was under Governmental control, and we had followed to that extent at least in the footsteps of other important belligerents.

Help to Win the War.

So it is in this First Annual Convention of the National Coal Association this industry faces a set of conditions it never faced before at the beginning of a coal year, and to speak with entire frankness and directness, I think it is entirely true when I say, upon the wisdom of the way in which the coal people of the United States meet these new conditions, and upon the energy of their efforts, will depend very largely the success of the Allies in this war; because you all must know that a great deal of the industrial activity that is to support the armies of Great Britain, France, the United States and Italy will rest upon the manufacturing industries of the United States, and that goes back squarely to the coal mines.

Now, when I took up the work of directing the distribution of coal in the United States for the Fuel Administration, it appealed to me that one of the first things we needed to know was what the requirements of coal this year in the United States would be. I said to Mr. Garfield I felt that one of the reasons why there was as severe a shortage as there was last winter was because nobody knew how great the real need of coal was. Months before that need made itself felt there was no opportunity to plan for and get ready for it. So we wanted to know where we stood with reference to the coal demand for the coming year. We set to work to get that information, and to get it we obtained reports from more than 100,000 industrial concerns stating the exact quantity they consumed in the last twelve months. We obtained reports from forty thousand retail dealers covering their annual deliveries for that period. We obtained reports from the Shipping Board, then the War Department and Navy Department, and from other Government sources regarding the building of new factories and extensions to the old factories, the increase of activity by war thrift in other plants; to arrive as near as we could at the total requirements of coal, that information was checked up by the various Fuel Administrators in the more important states and we called on the private sources of information. Now, when we had those figures together, we found that to run the United States on a war basis this year, we need 735,000,000 net tons of coal.

Must Make Up Anthracite Shortage.

It seems likely that the production of anthracite cannot exceed the output of this year, namely 89,000,000 gross tons. What does that mean? It means that the difference must be made up out of the bituminous mines. It means that the bituminous mines of the United States this year are called on to produce 85,000,000 more tons than they produced last year, which was a record year.

To give you some measure of the responsibility that rests to-day on the coal producers of the United States let me say that you are called upon to produce more coal this year than all the mines of all the rest of the world combined.

I would like to tell you in detail something about the causes that result in this huge total of coal that is needed this year. It is not possible, because a large portion of it, such information, is confidential; but some of it that I can give you will give you a more intimate insight into what cannot be stated.

Needs of War Plants.

One single war plant to-day is calling on us for 5,000 tons per day. On the first of July that tonnage will jump to 7,000 tons a day, and that means 2,500,000 tons of coal a year.

Another plant equally important on August 1st will double that demand exactly.

Another group of war plants will ask us before the year is over for 1,500,000 tons of coal per month.

Four new government war plants this year will consume more coal than all the manufacturing plants, ships, power plants, gas works and street railways consumed last year of bituminous coal in the entire State of New Jersey.

You will also be glad to know that the demands for bunker coal for ships in the North Atlantic this year will be very materially increased over last year.

Now, those are some of the factors that go to make up this demand for coal that enter into the total of 735,000,000 tons. When we face the question of whether that coal can be produced we know you gentlemen will immediately ask whether the railroads can furnish transportation enough to haul it. That is a question that the Railroad Administration will have to answer.

Administrations in Harmony.

I want to make it clear in that connection that the Fuel Administration and the Railroad Administration are working together in the closest harmony.

Mr. McAdoo and Mr. Gray are fully alive to the supreme importance of furnishing transportation enough to give this matter of coal its proper attention and you may rest assured that they will bend every effort to accomplish that result.

Our own managers and directors of distribution are in daily conferences with representatives of the Railroad Administration of the different railroads; and the result of that is that we are getting very distinct increased efficiency in the transportation of coal because we are working hand in hand with the Railroad Administration.

Now, when I say that I doubt very much whether the railroads can haul that tonnage of coal, whether they can furnish transportation enough to transport it properly with respect to the Eastern part of the country that does not imply any criticism at all of the Railroad Administration; it is simply a recognition of the fact that the roads as they now stand are overburdened with war traffic and if they furnish the transportation to turn out this tonnage they would do so at the expense of steel, iron ore, and cotton and wool and food supplies and other equally vital commodities that are equally necessary, and we would gain nothing by furnishing the plants with the coal if they then had to shut them down for lack of raw materials or for failure in ability to move the finished product. So there has to be a consonance of action in the administration of the transportation; and the portion of it that can be moved and will be moved must be carefully worked out with respect to what necessarily must be furnished other lines of goods.

Face Slight Shortage.

Under these circumstances, then, with a requirement of 735,000,000 tons of coal, with the probability that not all that coal can be produced, because not all of it can be hauled, we very clearly and definitely face the prospect of a slight shortage of coal this year. Now, under those conditions, I submit that you or any other person in charge of the distribution of coal would do something of this kind, something of what we are trying to do:

To see that the domestic consumer is taken care of; to see that the supreme important users of coal get their supplies, and if there is any left that can go to the less important consumers of coal, there is where it will go. This is precisely the plan on which we are now running. You will appreciate the fact that that involves a decision as to who are the supremely important users of coal. That is a question that now is definitely settled by the decisions of the War Industries Board. That Board is

authorized by the President to decide on preferences and priorities in the deliveries of raw materials. In other words, to decide who is entitled to supplies of such raw materials.

Apportionment of Coal.

Mr. Bernard M. Baruch is Chairman of that Committee and he has full authority of the Board and the full confidence of those who know his ability to see that the railroads and the ships and the food plants and other important war industries receive their supplies. Every plant will be asked to state from day to day the amount of their consumption and the tonnage that is on the way to them and then they will be granted such amounts of coal as the judgment of the Board dictates.

Thus it will be determined under all the circumstances who is entitled to coal and what tonnage is to go to them. The necessary public requirements as well as domestic consumers will be equally guarded. Now, in order to make sure that an equal amount of distribution is had between these important branches we have to get some very definite information about where the coal is going. You gentlemen may feel that through our distribution representatives we are calling on you for an extraordinary amount of reports. We are now in the process of simplifying and reducing all kinds of information and getting it down to the lowest possible terms.

Mr. Calloway, tomorrow, will explain in detail how this is to be done as far as it is possible to explain it so that we may be sure that the coal is moving as it should move to the most important centers, and while you may be asked for a large amount of information regarding your shipments and what you have coming from time to time, do not think that you are the only people that are suffering in this matter, because we intend to require every industrial consumer of coal in the United States to register and to report weekly his exact amount on hand, his consumption, his receipts and the amount that is moving to him. If we have all that information it will enable us, with the rest that you will give us to intelligently act. For we will know, at any time, how any given plant or industry or section of the country stands with respect to its coal supply and it will then be possible to prevent trouble before it occurs in many instances, rather than to try to cure it afterwards. (Applause.)

Must Reduce Waste.

There is another thing that the Fuel Administration thinks under these circumstances that it is necessary to do, and that is to get consumers of coal to cut out a part of the waste in the

use of coal. You gentlemen know perfectly well that as coal is now burned, not merely by the domestic consumers, but in many steam plants, there is an important element of waste. The Fuel Administration is organizing a conservation division which is to inspect the plants and teach the users of coal better methods of burning it in order that tonnage may be saved. It is estimated that in that manner, if **that** can be done on a large scale this year, it will be possible to save perhaps 20,000,000 tons of coal. The importance of doing that, giving out that information, is very much appreciated by us all when we understand that unless it is done many plants necessarily will be without coal and to some extent will have to curtail their operations, while, if they can learn to burn the coal more economically and save it, it is quite possible that all or nearly all of them can run close to capacity. It is a matter for the consumer of coal, himself, to deal with and we are going to help him all we can and if necessary to exert some pressure on him to induce him to do so.

Will Watch All Consumers.

I want to make it clear that the Distribution Division of the Fuel Administration intends to be sufficiently in control of the situation to make sure that the domestic consumer gets his supply, that the railroads have theirs and that the important war plants are all running, that our ships get back and forth across the Atlantic. Now, if we do that, if we take care of the domestic consumer in that respect and if we keep these plants running, it will be possible for us to avoid the suffering that occurred last winter, and it will also happen that the working machinery of the United States will not lose one single stroke for lack of coal.

Now, I want to speak briefly for a few minutes about the personnel of the distribution division of the Fuel Administration.

The first thing I said to Mr. Garfield after we had had our talk on the subject of this work, was that I felt that if it were done then that it would be necessary to enlist the services in the distribution of coal of the men in the business, who knew the business. (Applause.) Mr. Garfield agreed to that.

Personnel of Distribution Division.

The distribution of anthracite is being directed by a committee of anthracite operators, called the Anthracite Committee, of which Joseph B. Dickson was Chairman, and the other two members are S. D. Warner and W. J. Richards. I do not believe that with the control of the coal, that is, of the anthracite business of the coal mining industry, could be in any more capable

hands than in the care of those gentlemen. We know the care with which they will distribute the anthracite this year. We are kept intimately in touch with what they do through Mr. A. S. Leroyd, who is director of bituminous distribution in Washington, to handle these details in connection with the Government and the Anthracite Committee.

Since we are called on this year to produce and distribute more bituminous coal than all the other bituminous producers in the world combined, it goes without saying that we needed a man with outstanding capabilities to handle that feature. We found that man in Mr. A. W. Calloway, President of the Davis Coal & Coke Company, (Applause), and since the day he came to the Fuel Administration, there has been great advancement made in the development of means of distribution of coal.

Some of the other men that we have in the Division of Distribution are, Assistant Director S. L. Yerkes, of Birmingham, and he is one of the most capable men in handling details I have ever met. (Applause.) The management of the distribution of coal in the Northwest and for Canada is in the hands of Mr. C. P. White. Many of you gentlemen know him. He has spent years in the Northwest. The distribution of railroad fuel will be in the hands of Mr. Walter A. Marsh. The tidewater distribution is in the hands of Mr. Cochran, formerly Coal Traffic Manager of the Baltimore & Ohio, and he is assisted by two other gentlemen.

Where the Consumer Comes In.

Now, it may be asked, in these days, and in these committees, where does the consumer come in. He comes in in two ways: In the first place, it was distinctly understood, with Mr. Garfield, that these coal men have nothing at all to do with the price of coal. We want nothing to do with it. As one of the gentlemen suggested, if we get coal to the places where it ought to go, we will have all we can say grace over. That much is to the interest of the consumer, if you wish to look at it that way, but the consumer is also represented in the Distribution Division through the State Fuel Administrators, and their County Chairmen, who are intimately in touch with the respective localities, and the War Industries Board has asked that in the application of their rulings as to what classes of consumers should be preferred, the State and County Chairmen shall decide, in their localities, what consumers and plants come within these designated classes. That is right, because, as Judge Parker said, these men are on the ground and they can find out

the facts more quickly than there is any possibility of our finding them out in Washington.

Co-ordinating State Administration Work.

Now, the work of the State Fuel Administrators and County Chairmen heads up in Washington in the Director of State Distribution, Mr. A. M. Ogle, who has just been appointed to that important position. (Applause.) That does not take away any of the authority or privileges of the State Fuel Administrators at all. It merely means that there will be some one at Washington whose business it will be definitely to see that the work of the State Fuel Administrators is properly meshed in with the other work; in other words, that, to use an expression in Washington, we make sure we all co-ordinate. You know what that means. He will also see that general plans for the distribution of coal are carried out uniformly in the different states by the various State Fuel Administrators.

Now I come to what I consider myself the important part of the Distribution Division in the Fuel Administration, and that is made up of the coal operators and coal salesmen of the United States. It is our theory that those men comprise a very efficient body of coal distributors, each one of whom knows intimately the business needs of his own customers, and his own sections of the country. Those men, in undertaking to care for the needs of those consumers, will effect, very largely, a fine distribution of coal. What we need to do is to organize and unify their efforts and direct them along lines that may be necessary, in order to get the supply of coal where it is needed at the time it is needed; in other words, to make sure that the preference consumer is really preferred. That means that we expect a large part of the output of coal to move along the lines it would ordinarily move, through accustomed relationships and channels of business. It is only necessary to interfere with that movement, so far as we may have to do so, in order to make sure that some important war plant is not only getting its current supply of coal, but building up a stock for next winter, and to make sure that the retail dealers are getting their coal in plenty of time, and make sure, in short, that coal is not diverted, at this time, into unimportant and wasteful channels. To the extent that that may be necessary, we may have to interfere with your business, to take care of some particular consumer or plant in your community; but I think that that interference will be reduced to a minimum. At any rate, that is simply one of the misfortunes of war. It is not a desire on the part of the

Fuel Administration; it is a thing we view with regret, but with a feeling it is necessary.

The Zone System of Distribution.

At this point it might be well to say a word about the effect of the zone system of distribution.

That was something which was put into effect before we started, and we have simply gone ahead and carried out the plans which had been devised and submitted to Mr. Garfield. It has proved very beneficial to the railroads. I have in my pocket a telegram from the Vice President of the Norfolk & Western Railroad, which will give you some idea of how it is helping that road.

He says here "A comparison of the movement of loaded coal cars in our coal districts with a seven-day period, May 4th to 10th, 1918, to determine the advantages derived from the zone regulations, indicates that there was a saving in loaded car mileage in coal fields of 15.2 per cent., 6,982 loaded car miles in seven days. This is simply the saving of car miles in the coal regions on our lines and does not take into account the saving that has been effected between the origin zones and the points of destination by the elimination of cross hauls."

Sacrifices Necessary.

That is indicative of the important saving in transportation that was effected by the zoning of coal. That zoning interfered, no doubt, with your customary trade relations, it interfered with the customer in getting his supplies of coal, the supply he had long been accustomed to get. So it is a pleasure for me to say to you here, we have this evidence of the fact that the sacrifices you made when you saw your good-will wiped out in a good many parts of the United States, you undertook to cut your business that you had spent hundreds of thousands of dollars cultivating, it has helped very greatly our transportation problem at a time like this when that is all important.

Now, since the distributors of coal are very largely the coal men themselves, since we consider them a part of the distribution work of the Fuel Administration and the Administration personnel, it goes without saying that we shall depend upon you to the fullest extent, and I want to take this opportunity of saying here publicly that to date we have been most admirably supported by the coal men themselves. There have been times when we have made mistakes, made lots of them; we will probably make a good many more. There is not anybody that knows everything about

the coal business, nor even a small part about all of it, but we are trying to get together in Washington a personnel of leaders in this business in positions of responsibility there, that you other coal men can follow with confidence and respect.

When we do make mistakes, I hope that you will do what coal men thus far have done. They have not defied us in any spirit of rebellion or anything of the kind. On the contrary, they have come and said, "If this is what you want to do, you are making a mistake in the way you are going about it; we feel that you can accomplish better results by doing it in such and such a manner." And in every instance when those coal men have come to us in that manner,—Mr. Calloway, Mr. Yerkes or Mr. White, or whoever it may be that is particularly affected and concerned with the problem—they have sat down with those men and said, "Well, let us sit down, get together and fix this up right." They have met us half way, and so far as we are concerned, we hope that will continue to be the practice in our relations with you gentlemen in working out the most effective distribution of coal this year.

Comparison With German Conditions.

It is, perhaps, not only proper, but desirable that I should say something about the comparison of the coal industry of the United States under these conditions with that of Germany. We now understand fairly well that for modern war to be anywhere near successful, the armies in the field must be supported by equally effective and magnificent war machines built up in the industrial life of the country behind the armies. It is important for us to understand that Germany had exactly that kind of an industrial machine completed before ever this war began. The entire electrical industry of Germany was centralized in two great groups of producers that work with each other in entirely harmonious relations throughout all their numerous subsidiaries. The chemical industry of Germany, new and all-important, leading the entire world in that line of endeavor, was centralized in two groups of producers which were working together in relations that were all mapped out harmoniously under a fifty-year agreement. That industry was the very basis of the German manufacture of drugs, chemicals, explosives, gas—all the other products of that kind that have entered so largely into the support of the German armies and into their offensive campaigns. The blast furnaces and iron men of Germany were organized in the Rhine basin into one single centralized concern that controlled 97 per cent. of the output of pig iron, grey iron,

spiegel and other products of that character, and it was intimately related with the single central agency, the Stahlwerks Verband that controlled absolutely the production and sale of steel in Germany.

Now, in the coal industry the important part of the coal industry in Germany was in the Rhine Valley in the western part of the German Empire. That was the part that supported the steel plants and the great industrial activity of the German Empire. And the coal industry in that section of the Empire was organized into one single, central concern; it not only sold the output of the mines at wholesale, of all those mines, but in addition it controlled groups of wholesalers and retailers. The Chairmen of those groups were members of the central combination. It controlled the works on the Rhine itself. In a word, it had in its hands the control of the entire distribution of coal throughout Germany. That organization was matched in the Silesian coal fields by a similar organization, not nearly so important or large, because the production was not so large. That organization in the Rhine Valley was intimately related with and connected with the combination of iron and steel producers I have just mentioned, and they in turn connected with the important electrical and chemical concerns. So that when Germany undertook to swing her industrial machine into line behind her armies, she did not have to organize at the bottom and organize it all up for that purpose, she needed only to get in touch with the fuel leaders who were responsible for the action of these central combinations. It was simply like touching a row of buttons and the whole machine sprang into action like a bit of well-ordered mechanism.

That was the industrial organization that Germany had behind her armies to begin the war with. I submit to you that under all the circumstances, it is not at all surprising that to this hour she has been able to defy the united force and efforts that nations that were greater industrially than hers put forth, because she was organized to support her military campaign, and the other nations were not. The answer is that we, too, must organize exactly in that manner.

Preserve Independent Organizations.

Now, when I say that, I do not mean to imply we should follow the German method. We here in the United States believe that it is better not only for the life of the Nation, but for the industry itself to have any branch of industry composed largely of independent producers—not necessarily large or small, but

independent, working with each other and still preserving that independence. We also believe that it is not necessary nor desirable to have the same type of paternalism in industry that has been characteristic of Germany. Why, in Germany, some of the coal mines that are owned and operated by the Prussian Government are members of that combination in the Rhine Valley, and it is significant that when the combination agreement expired on January 1, 1915, the German Imperial Government required every producer of coal in that section to go into the combination and to continue it. The reason for that obviously was that they needed the centralized direction of the distribution of coal. So that when Germany set up what would correspond to our Fuel Administration, the major part of the work was already done, done by the coal men in Germany themselves.

But it is, as I said a moment ago, equally necessary for us to build up here an industrial war machine that will support our military war machine just as effective as Germany's. In the coal industry you gentlemen are a part of that machine. I want to make that distinctly clear. We will have to think of you in that way and we will have to ask you to think of yourselves in that way, and just as the soldier has to subordinate his wishes to the general plan, so you will find it necessary in many respects to lay aside your personal desires and privileges and submit your wishes to the general plan for the industry as a whole in support of the war program.

To date you are doing it admirably, and I have no doubt you will continue to do so.

I just want to say this one word in conclusion, that for you to take action, to play that part in the prosecution of this war, there will not be any sleeves with chevrons, no shoulder straps with stars, no military medals or anything of that kind, but you will have the consciousness that you are very definitely doing your part to make the world safe for democracy. I thank you. (Prolonged applause.)

STATES NOT REPORTING.

THE CHAIRMAN :—Gentlemen, the following States have not reported to the Committee their desires in regard to the directors of the National Association to represent them for the coming year: Alabama, Colorado, New Mexico, Iowa, Maryland, Michigan, Montana, Northern Wyoming, and Ohio. You will please report your desires to the Committee on Election of Directors.

Gentlemen, I have the pleasure and honor of introducing to you, the Pennsylvania Federal Fuel Administrator, Mr. William Potter. Mr. Potter will you please come on the stage.

STATE ADMINISTRATOR POTTER'S ADDRESS.

MR. WILLIAM POTTER (Federal Fuel Administrator for the State of Pennsylvania):—Mr. President and Gentlemen of the National Coal Association:—I wish to apologize for not having been here on time to give you an address of welcome, but the fact is that for the first time since I took this office of Federal Fuel Administrator of this great State of Pennsylvania, I was obliged to attend the annual meeting of the corporation over which I am President, and within the walls of which I have not been since I accepted this position. (Applause.)

Gentlemen, I feel that I am facing the most important body of men for the successful prosecution of this war that could be gathered together in this great country to-day. I want to say to you in welcoming you to this city that, while I have accepted this position because the President of the United States and Dr. Garfield said that it was an important duty, I have accepted it and have given my time and my attention to it, and each day that I have spent in it I become more and more satisfied with the fact that it is up to you coal men more than any other body of men to successfully win this war.

Why, gentlemen, what can you do without coal? You cannot transport your troops, you cannot send your armies, you cannot run your railroads—you cannot do anything, and it is up to you gentlemen to co-operate with the Government, as you are doing, in helping to win this war. I need not say to you—because you are all professional experts in the coal business—that you realize that the exports of this country in 1913 which was the first full year before the outbreak of the great war in August, 1914, were something like two billions of dollars, over a transportation system that was then below par for normal times, and that year the exports of this country over the same transportation system were still farther below par, and were something like nine billions of dollars, and I need not tell you that representing the great State of Pennsylvania which with its bituminous and anthracite produces 47 to 50 per cent. of all the coal in the United States, that Eastern Pennsylvania, New Jersey, New York, New England, parts of Maryland and parts of Virginia, containing from 70 to 75 per cent of the most vital war indus-

tries, is the neck of the bottle—is the neck of the bottle. And we are faced with conditions next winter for the proper prosecution of the vital war industries of this country that are simply stupendous. I cannot tell you here, because this is not the place, that efforts are being made through not only the Fuel Administration in Washington, but through the War Department, through the Navy Department, through the National Council of Defense and through the Shipping Board, in dissipating what tremendous problems we have got before us in industrial coal next winter to make some alleviation in relation to relieving the roads of coal freight. That is all under consideration, and we are hoping and expecting to hear favorable results from it from Washington from day to day.

Operators Give Good Support.

But, gentlemen, I want to say to you this: That from the first moment I took this office, and I happened to be in Washington on the morning that I took this office and breakfasted with your Chairman—at least, he gave me the breakfast, and I remember what he said to me then. That was in October, 1917. He said to me, "If there is anything that the Pittsburgh Coal Company can do through every man that is associated with it to help you and to help win this war, command me." That is what Mr. Field said. (Applause.)

From the moment of that morning's breakfast I have asked Dr. Garfield in every interview that I have ever had with him—I said, "Take coal men into your confidence, take coal men into your Committee on Distribution, and bring coal men into every avenue of the Fuel Administration." And I want to say to you this—that my experience has been that you coal men are as patriotic as any body of men that are engaged in any business in the United States. (Applause.)

Must Support the Government.

Now, you must realize too, gentlemen, you must realize that no matter whether you like or whether you dislike the Governmental control over your business, it is absolutely vital and necessary for these war times. And I am not a seer, nor am I a prophet, but I make this prediction—that even after the Fuel Administration is a thing of the past, and this war is won, I believe there will be some sort of Governmental control over the coal industry, and for the reason that your industry represents such a tremendously vital thing for the welfare and the

prosperity of this country, that once having had governmental control, you will never be entirely without it. And I want to say to you this—that your business today is more dignified, and is a more patriotic business than I believe even the wisest of you or the wisest of us ever contemplated. It is so important, it is so absolutely necessary for the winning of this war, and as it affects every human being not only as a private consumer, but in industrial needs, it must of necessity, even if it be the Department of the Interior or some other department, have some Governmental control over so vital a thing.

And then what sort of a business have you to-day? Suppose your customers are all disarranged, suppose the old normal avenues of doing business are all upset; every one of you that is engaged in this industry knows that for every pound of coal that can be mined there is more than one pair of hands holding up to get it. And that is the condition, and, just as Mr. Morrow said,—because I was fortunate enough to be in here and hear the last part of his speech—just as he said, Germany for years prepared for this organization which we now are compelled to take in during the stress of this great war.

Gentlemen, I want to say this,—that attending the Altoona conference of the Central Pennsylvania bituminous districts, I was impressed by a standing vote there. Every man in that conference rose when the Chairman, Mr. Watkins, said, “Will you all support our friend, J. P. Cameron, the Distributor of this district, in every way in your power to win this war?” Every man in that conference stood up on his feet and said he would support Mr. Cameron.

I know it is not necessary for me to ask you for any rising vote as to whether you patriotic gentlemen will support the great administration of the United States in the prosecution of this war. You have done it already, you are going to do it more by a more perfect organization, and after this war is over, the greatest satisfaction that each and every one of you will have will be that you have contributed not only your bit, but your best towards winning this war.

So I say to you gentlemen, imbued with that patriotic spirit, go ahead with your conference, and remember each one of you in the line of duty, those immortal words of Emerson—go face the fire at sea, go face the burglar in your own house or the pestilence in your neighbor’s house, each and every danger that besets the path of duty, knowing that you in this great country are guarded by the cherubim of testimony, I thank you. (Prolonged applause.)

MR. BARKER.

THE CHAIRMAN:—Gentlemen, Mr. Barker.

GEORGE H. BARKER (Treasurer, National Coal Association):—Mr. President, Mr. Potter and Fellow Coal Producers:—I am sure we appreciate Mr. Potter's kind welcome to the City of Brotherly Love. I don't know whether Mr. Potter knows it or not, but there is just a little inside information in connection with this matter. We were driven from our own home over in Washington, and as a man driven from home is never a very happy individual, we cast about for a place to go. Jere Wheelwright invited us over to Baltimore, and when we looked around over there there were not beds enough to take care of us, so we had to take the trouble to come back, so there was nothing doing. Doc Honnold wanted us to go out to Chicago. Some of us thought we did not have money enough to go that far, so we could not go to Chicago. Then we looked around over in Philadelphia, and deliberately invited ourselves over here, Mr. Potter.

MR. POTTER:—Thank you; I am glad you are here.

MR. BARKER:—We dropped in here and now we find some one who says he is mighty glad we came. I feel this morning we are a little like the man who invited himself out to a friend's house for dinner. The good wife entertained him so well, he decided to come again.

As Mr. Potter was speaking, I was thinking of the gentleman who visited a friend in the Southland and was ushered in by a faithful old colored footman, who was particular to find out just who he was, and then said to him, "Now, you sit right down here, sir, while I go ahead and denounce you."

Gentlemen of the coal industry will remember that as coal men we have been denounced from coast to coast. It is not a new thing at all. But we are all optimistic. I sometimes think when I meet my coal friends and their faces are beaming and smiling, of the old traveling man who had retired from the road, set himself up in business and started a man out to travel for him. He was only gone a short while when he came back and dropped his grips and said, "It's no use, I can't do it." "What's the matter? Insulted?" Well, the old man said, "Insulted?" "How, why?" "Why," he said, "I cannot understand how," he said. "I have traveled over the road carrying this line of goods. I was called a liar and a thief; I have been kicked out of a second-story window, but I've never been insulted in my life." And that is what it seems to me our coal men are.

Coal Men Are Patriots.

They have been called all those things, and yet we find them with faces smiling, brimming with patriotism. I am glad Mr. Potter has touched on that. I have touched elbows with these men for several years, and I have yet to find a bunch of men more patriotic than the coal operators, and I want to say to Mr. Potter, that we, over in Ohio, hear that his administration among the coal men and in the coal industry in Pennsylvania, has been most satisfactory. We have found, it is true, some causes of complaint—there have been some things we might consider as interferences, rather than cordial helpfulness—but we are patriotic, and we are back of this good old country of ours in her time of trouble. (Applause.)

I would like to say to Mr. Potter that we are back of this good old country of ours in her fight for democracy—yes, men, in her fight for self-defense, because it cannot be far from that. We are back of her with every dollar of our resources and every pound of our coal, until the last Hun has been put out of business or lays down his gun. (Great applause.)

So, Mr. Potter, we thank you for your welcome, and on behalf of the National Coal Association we hope that your prediction of a larger and better and more co-operative organization will materialize and will grow out of the efforts here to-day. (Applause.)

REPORT OF COST ACCOUNTING COMMITTEE.

THE CHAIRMAN:—Gentlemen, we will now have the report of the Chairman of the Committee on Cost Accounting, Mr. Hornberger.

MR. CHAIRMAN AND FELLOW MEMBERS

OF THE NATIONAL COAL ASSOCIATION :

Shortly before the Convention of the National Coal Association, held in Pittsburgh in October, 1917, a Cost Accounting Committee was appointed, and at the Convention the Committee presented a report with certain preliminary drafts of forms of report of Bituminous Coal Cost, Income and Tonnage, looking to a standardization of accounting among the members of the Association; and with a view, also, of co-operating with the Federal Trade Commission in working out a satisfactory basis of reporting Cost, Income and Tonnage to that body.

The Commission had, a few months earlier, promulgated a form of Bituminous Coal Cost, Income and Tonnage, and was

at that time engaged in a revision of the same, intended to be effective at the beginning of the year 1918. Your Committee accordingly submitted its preliminary forms and recommendations to the representatives of the Federal Trade Commission, and met with them a number of times during the months of November and December. Following these meetings, the Federal Trade Commission, on January 31st, adopted a new form of report of Bituminous Coal Cost, Income and Tonnage to be made monthly to the Commission by all producers, beginning with January, 1918. The new form, except as to certain things which will be hereinafter referred to, is satisfactory to your Committee, and, we believe, marks substantial progress towards the standardization of accounting which the Association desired to bring about.

The exceptions taken to the Federal Trade Commission's new form and instructions for Cost distribution are:

(1) As to the regulation governing depletion charges, which reads as follows:

"DEPLETION.—This account shall include a charge, based upon tonnage mined, which on date of exhaustion will provide a reserve sufficient to equal the original cost of the coal or lignite. This charge in any month shall be determined by using a fixed rate per ton for the tonnage mined. This fixed rate shall be ascertained by dividing the original cost of the tract, deposit, or lease, less value of surface at time of acquisition, by the recoverable tonnage estimated at the time such coal or lignite was purchased. The original cost shall be the cost to the present operator.

"NOTE.—If, during the operation of the mine, it is found that the original estimate of recoverable tonnage was in error, an adjusted per ton rate for depletion may be used, provided that the operator files with the Federal Trade Commission supporting data for the revised estimate."

This is perhaps the principal matter on which your Committee and the representatives of the Federal Trade Commission could not agree, notwithstanding several extended discussions. The regulations as it stands is inequitable. The *original cost* per ton of coal in the ground which was purchased 25 years ago and is being mined this year, was in many cases, perhaps, not more than from 1-10 to 1-20 of its present value or the value of similar coal in adjoining properties to a purchaser this year.

To illustrate:—Each of two companies ("A" and "B") operates a mine in land contiguous to the other in the same seam of coal; there is no difference in the thickness or the quality of the coal, or in the mining conditions. In each case the yield is 7,000 tons to the acre. "A" bought his property 25 years ago, at \$35.00 an acre—this by reason of the fact that it was at that

time an untried, undeveloped section; no railroad near it; no certainty as to the character of the coal or the mining conditions. There were many risks, many obstacles, many years of hard work, taxes and interest; then meager profits, perhaps losses, from operations; but as the result of his enterprise and his hard work, railroad development extended into the field and it became more and more valuable. This increment was never taken to account on his books until, under the Income Tax Law of 1916, it became incumbent upon him to establish the value of his land at March 1, 1913, the date of the incidence of the Income Tax, in order that he might have the proper basis for depletion or property sales credits in his Income Tax settlements. At about this time, that is, March 1, 1913, "B" purchased his tract and began the development of his mine, the cost of his land being \$700.00 per acre.

The inequity of the rule of the Federal Trade Commission is in the fact that it proposes to deny "A" the right of revaluation of his property that is secured to him under the Income Tax Law of 1916, and calls upon him to make Cost reports to the Federal Trade Commission, which it is intended shall be used to fix the price at which the Government permits him to sell his product, in which reports he will be permitted to charge up only one-twentieth part as much for depletion as his competitor "B" is permitted to charge.

Your Committee believes that this rule of the Federal Trade Commission is unsound, and that Cost statements so prepared and used in advices to the Fuel Administrator as the basis upon which coal selling prices should be fixed, are inaccurate and misleading. We believe that there should be no difference in the rates and amounts of deduction for depletion as between the reports made to the Federal Trade Commission and the reports made to the Collectors of Internal Revenue. The amount of depletion deduction in both sets of reports should coincide with actual book entries, and all should be made on the basis of the cost per ton of the coal in the ground *or its reasonable value at March 1, 1913*, if purchased *prior to that date*.

(2) As to the elimination of the item Contingent Reserve.

The Federal Trade Commission, in its amended form of report, eliminates the Contingent Fund Reservation (for the payment of extraordinary losses not insured) as a proper charge to Production Cost, such an item of Cost having been provided for in its form of Cost statement in use last year.

Your Committee discussed this matter with the representatives of the Federal Trade Commission, citing many cases of

catastrophe losses occurring in the past not insured or insurable, and for which no provision had been made, with most disastrous results to the corporations involved. We believe that no standardization of Coal Cost Accounting is complete and no statement of cost per ton of coal production is accurate unless they take into account catastrophe losses.

Your Committee, therefore, believes that a very good beginning has been made in the matter of standardizing coal production cost accounting, and that at this time the Cost statements are being made up upon a more uniform and approved basis than ever before. There are several other features of the Federal Trade Commission's form and manual of instructions, which we believe may be changed to advantage. They are, however, not of sufficient importance to be referred to specifically in this report. Much remains to be done along the lines of developing uniformity of blanks and bases of distribution in detail, which is completely beyond the power of your Committee to accomplish, and which we believe can only be done effectively through the employment of a competent accountant as a permanent member of the National Association staff.

Respectfully submitted,

W. SAUNDERS DAVIES

A. S. DUNHAM

R. W. GARDINER

F. C. HONNOLD

J. S. OSGOOD

W. B. REED

F. B. WINSLOW

Philadelphia, Pa.,

May 28, 1918.

J. B. L. HORNBERGER, *Chairman*

Committee on Cash Accounting.

MR. HORNBERGER:—I thank you. (Applause.)

CALL FOR WEST VIRGINIA OPERATORS.

THE CHAIRMAN:—Mr. Cunningham, of West Virginia.

MR. CUNNINGHAM:—I would like to make an announcement and request that all of the West Virginia operators at the close of this meeting will meet in the Green Room—that is, at the Green Room immediately following this morning session. A very important meeting! Every West Virginia district is requested to be represented.

THE CHAIRMAN:—Gentlemen, you have heard the announcement and you may govern yourself accordingly.

MR. HURLEY AT AFTERNOON SESSION.

MR. MORROW:—Before the morning session adjourns I want to say that about three o'clock this afternoon you will be addressed by Mr. Hurley, Chairman of the Shipping Board. Mr. Hurley is, as you know, and always has been, the friend of the coal business for a great many years and he was particularly anxious to attend this meeting. Some very important matters came up in Washington and for a time it looked as if the President would not let him go; but when he explained to the President what it was that he wanted to do and how important he regarded it that he have the privilege and pleasure of coming up here and talking with you gentlemen the President agreed to let him off. So he comes up and talks with you and turns around and takes the next train back again.

I know that what Mr. Hurley has to say will be of general interest not only to people in the coal business, but to other people as well. And it occurs to me that if any of you gentlemen have friends here in Philadelphia that you think would like to hear Mr. Hurley you should feel perfectly at liberty to ask them to come here and hear him; and no doubt they will appreciate the courtesy.

Red Cross Pictures Tonight.

The second announcement I want to make is this: The American Red Cross has secured from the French Government some moving pictures of the reconstruction of the wounded soldiers in France and the work which those men find they can do in industrial activities in France. Now that is a matter that is going to be of very distinct interest to all the coal operators of the United States as employers of labor wholly aside from the general, direct interest that we have in that question to-day.

These pictures will be shown here in this room this evening at eight o'clock. There will be a lecturer present also who will explain something of the work which is done and has been done over there in finding places for crippled soldiers in the life of the business world of France after they have been retired from the service.

Pictures of Mine Operations.

In addition the Bureau of Information of the National Coal Association have had prepared some moving pictures of the mining operations in coal. These are to be used in the moving picture shows of the United States as a part of the work of the

National Coal Association in acquainting people generally with the work of production and distribution of coal. These pictures will also be shown here following those of the Red Cross. That meeting will be open not only to coal operators, but to the general public and you are requested to invite your friends to that meeting if you think they would like to come here and see the pictures and hear what is to be said. That is to be at eight o'clock this evening in this room. (Applause.)

MR. S. H. ROBBINS:—I would ask that there be a meeting of the Ohio Coal Operators in the rear of this room immediately on adjournment.

THE CHAIRMAN :—Gentlemen, the meeting will be recessed until 2:30 o'clock this afternoon. Please be prompt.

AFTERNOON SESSION

2:30 P. M.

The Chairman called the meeting to order.

THE CHAIRMAN:—We are going to hear the report of the Committee on Credentials.

CREDENTIALS COMMITTEE REPORT.

MR. GEORGE H. BARKER:—Gentlemen, may I have your attention just a moment. Your Committee on Credentials has found it some task—I am not sure just who it was that wished this job on to us. I do not really know what he had against us. I will explain briefly the voting method of the Association, which is on the number of members, each member of an Association being entitled to one vote, provided the dues of that Association to the National have been paid in full.

Your Committee has considered a partial payment as granting that Association a percentage vote. I will explain further that we find that the records of membership in the office of the National Association are not always correct. There are also opportunities for error in the amounts of payment. Some of you have been sending your remittances to me at my office at Columbus, as Treasurer, and I have in turn reported them to Washington. Others have sent their remittances to Washington, and they have reported them to me. I am told since we arrived here, that there are payments on the way both to me at Columbus and to the office at Washington, so that it has been quite difficult to arrive at the exact payments that have been made, the exact number of companies represented in the various associations, and their correct voting quota.

Therefore, the report submitted to you now is a temporary one. The errors, if there are any, you will recognize readily when the name of your Association is called. The Credentials Committee is still in session in the Red Room—that is, the headquarters, the office headquarters, and we will be very glad to meet the gentlemen who can help us to correct these errors.

Association Members.

The list, as we have it, is as follows :

Brazil Black Coal Producers' Association: 9 members, 100 per cent.

Central Illinois Coal Bureau: 22 members, 100 per cent.

Central Ohio Coal Operators' Association: 23 members, 100 per cent.

Central West Virginia Coal Operators' Association: 105 members, 100 per cent.

Coal Operators' Association of Georges Creek: 49 members, 100 per cent.

Coal Trade Bureau of Illinois: 15 members, 100 per cent.

Fifth and Ninth Districts Coal Bureau is entitled to 9 votes, according to our records.

Franklin County Coal Operators' Association: 11 members, 100 per cent.

Grafton Coal Operators' Association is entitled to 8 votes.

Harlan County Coal Operators' Association: 27 members, 100 per cent.

Hazard Coal Operators' Exchange: 30 members, 100 per cent.

Indiana Coal Trade Bureau is entitled to 32 votes.

Iowa Coal Operators' Association: 86 members, 100 per cent.

Kanawha Coal Operators' Association: 59 members, 100 per cent.

Knox County Coal Operators' Association: 7 members, 100 per cent.

Logan Coal Operators' Association: 46 members, 100 per cent.

Low Volatile Coal Producers' Association of Pennsylvania is entitled to 55 votes.

Middle Tennessee Coal Operators' Association: 9 members, 100 per cent.

New River Coal Operators' Association is entitled to 43 votes.

Northeast Kentucky Coal Operators' Association is entitled to 47 votes.

Northern Illinois Coal Bureau is entitled to 3 votes.

Northwestern Pennsylvania Coal Operators' Association is entitled to 60 votes.

Operators' Association of Thick Vein Freeport Seam of Pennsylvania is entitled to 1 vote.

Operators' Association of Williamson Field: 34 members, 100 per cent.

Pittsburgh Coal Producers' Association: 40 members, 100 per cent.

Pittsburgh Vein Operators' Association of Ohio: 30 members, 100 per cent.

Pocahontas Operators' Association: 44 members, 100 per cent.

Somerset County Coal Operators' Association is entitled to 20 votes.

Southern Appalachian Coal Operators' Association: 99 members, 100 per cent.

Southern Indiana Coal Bureau, on the Committee's record so far, stands delinquent.

Southern Ohio Coal Exchange: 68 members, 100 per cent.

Southern Wyoming Coal Operators' Association: 8 members, 100 per cent.

Southwest Virginia Coal Operators' Association: 22 members, 100 per cent.

Southwestern Interstate Coal Operators' Association: 155 members, 100 per cent.

Tri-State Coal Stripping Association: 15 members, 100 per cent.

Tug River Coal Operators' Association is entitled to 33 votes.

Upper Potomac Operators' Association is entitled to 6 votes.

Utah Coal Producers' Association is entitled to 4 votes.

Washington Coal Producers' Association: 24 members, 100 per cent.

West Kentucky Conservation Association is entitled to 43 votes.

Williamson County Coal Operators' Association is entitled to three votes.

Winding Gulf Operators' Association: 16 members, 100 per cent.

There is also pending before the Committee, the case of the Central Pennsylvania Coal Operators' Association with 246 members, which will be acted upon and reported to you later. That, gentlemen, covers the list, as far as the Associations are concerned.

Individual Members.

The individual companies who are members of the Association are as follows, and, in this connection, I will state I am reading those in good standing:

Pickands Mather & Company.
Albuquerque & Cerrillos Coal Company.
Aztec Coal Mining Company.
Cabin Creek Consolidated Coal Company.
Carbon Fuel Company.
Consolidated Coal Company of Michigan.
Dering Mines Company.
Gibson Lumber & Fuel Company.
Herminie Coal Company.
Juanita Coal & Coke Company.
Loyal Hanna Coal & Coke Company.
Miami Coal Company.
Minnequa Coal Company.
National Fuel Company.
Oakdale Coal Company.
Phelps-Dodge Corporation.
Roden Coal Company.
Rugby Fuel Company.
St. Louis, Rocky Mountain & Pacific Company.
Saline County Coal Company.
Sunnyside Coal Mining Company.
Union Coal & Coke Company.
Victor-American Fuel Company.

That completes the list of individual members that are 100 per cent. Some of these companies are new, and their membership is, therefore, short. The records in the office are not complete, but your Credentials Committee can only accept what has been handed it this morning, and, as I have said to you, this is only a partial report.

The following names have some amounts due, and they are, therefore, not entitled to vote on the floor until this matter can be adjusted and report made of their being 100 per cent.:

Big Creek Coal Company.
Cambridge Collieries Company.
Elk River Coal & Lumber Company.
Graceton Coke Company.
McMillan Investment Company.
Mordue Collieries Company.
New River Collieries Company.
North Maryland Coal Mining Company.

O'Gara Coal Company.
Penn Coal Company.
Pennsy Coal Company.
R. B. Stewart.
D. F. Smith & Company.
Truax Coal Company.
Webb Coal Mining Company.
Westmoreland Coal Company.

Whatever the errors are, you gentlemen know better than we do, and, as I have said to you, the Credentials Committee will be glad to meet any of you who can shed any light on the matter that is before us, so that we may be enabled to report as speedily as possible to the Convention, the full list of those entitled to vote.

The Chairman of your Credentials Committee would respectfully request that the Committee be continued until it can complete its task.

THE CHAIRMAN:—That is a reasonable request, gentlemen, and if there is no objection, we will comply with it.

THE CHAIRMAN:—Mr. Butler, have you something to say about this Central Pennsylvania, something to suggest to the meeting?

MR. BUTLER:—Not that I know of, Mr. President.

THE CHAIRMAN:—How will we proceed and consider it?

CONSIDERATION OF NEW MEMBERS.

MR. MORROW:—We have an application for membership from several associations and individuals pending, and it has been suggested instead of voting them in direct in the present association they be taken in as members of the new association if it develop that we should decide to have the new association, or, I mean, a reorganization and incorporation. A suggestion has been made that in taking up these applications for membership of the Central Pennsylvania and Panhandle corporations and others that they be considered as members of the association as it stands, and be entirely free to talk here on the floor and express their opinions as to the propriety of by-laws or any other subject that may come up. I think that will be a matter for the convention to decide, whether it is agreeable to them or not, but it would be a very easy method.

THE CHAIRMAN:—You have heard the suggestion of Mr. Morrow; as I understand it it is that the association of Central Pennsylvania be considered as member, but not actually elected

until reorganization is perfected. As many of you as are agreeable please say Aye. (Ayes.) Contrary, No. I think that suggestion is adopted, Mr. Morrow.

COMMITTEE ON ORGANIZATION'S REPORT.

We have the report now of the Standing Committee on Organization. Mr. Barker.

MR. BARKER:—I can only say, Mr. Chairman, that a committee appointed some weeks ago considered the matter of reorganization and were instructed by the Board of Directors to employ counsel, which was done and duly reported to the directors at subsequent meetings. The committee has been at work for some weeks. The counsel employed was Mr. Rush Butler, and the draft of the new working plans of the association has been distributed and it is in your hands and the committee would suggest that the matter be presented to the convention item by item, if you wish to consider it that way; and that Mr. Butler be requested to come to the platform and explain to you the whys and wherefores which he is eminently able to do, and to answer any question that the gentlemen may wish to present to him on the subject. If Mr. Butler will take charge of this part?

THE CHAIRMAN:—Gentlemen, I would suggest this: The proposed charter and by-laws have been a continuous study on the part of the directors for the past two or three months, and they voted unanimously, as far as the Directors are concerned, that they were the proper thing for this Association. So we are going to have Mr. Butler read the by-laws, clause by clause, and as he finishes each item if there is no objection we will rule that that item is agreed to by this meeting. If there are any objections, why, let us have them as he reads it over. That is about the only way we can do this expeditiously, and it is quite a lengthy document.

Just another thing, Mr. Butler. We are expecting Mr. Hurley here at any moment, and if he should arrive we will have to dispense with the discussion for a bit.

MR. BUSH BUTLER:—Well, I will cease automatically. There are a large number of copies of the charter and by-laws available. If any of you gentlemen wish them and will indicate your desire, they will be passed to you.

Association's Charter.

I suppose, Mr. President, that you might want to give some consideration first to the provisions of the charter. With reference to the form of organization, we had to have the charter

ready to present here to-day in order that you might proceed intelligently with your organization. The desire of the committee in the first instance was to incorporate under the federal laws, if possible. There are incorporation laws enacted by Congress applicable in the District of Columbia. Those laws were carefully considered with the desire to incorporate under them if you could safely do so, but it was determined as a matter of legal procedure that there might be some question as to whether or not your organization could proceed under those laws, and with reluctance the effort in that direction was abandoned. The laws of Delaware were found to be most suitable, principally for the reason that being incorporated under those laws imposes no obligation on the association either to have a direct resident in that state or to hold any meeting whatsoever within that state. There are other favorable provisions in the law of Delaware which need not be discussed, but incorporation was effected yesterday under the laws of the State of Delaware. The buff colored printed pamphlet is the certificate of incorporation, and it has one or two provisions in it which have been excepted to since we came to Philadelphia, and, I believe, as I gathered it from the talk of the gentlemen interested, it was not unreasonable at all to adopt at least one of the suggestions that was made with reference to amendment.

If you will turn to page 4 of the charter, the last full paragraph on the page provides that the board of directors may make and alter by-laws. I might say that that is the customary procedure in corporations, as you perhaps well know, whether organized for profit or not for profit. But as this is, and always has been, an extraordinary organization, inasmuch as it is the desire of everybody connected with it to have the members participate actively and have their full sphere of influence in the association, it has been deemed advisable by several gentlemen who have talked this matter over since the discussion was made to accept the amendment proposed and place the power of amending the by-laws exclusively in the hands of the members of the association.

This will have to be qualified in one particular, and only one, of which I am aware at the present time, for this reason—that under the law of Delaware the by-laws must provide for the time and place of the holding of the annual meeting. It, therefore, seemed desirable to give the directors the power to amend the by-laws in so far as the time and place of holding the annual meeting were concerned, because it is assumed that you would not wish to hold your annual meeting each year in the City of Washington, and since your by-laws must prescribe the time

and place of meeting it was deemed desirable to put in the City of Washington and a certain day in the month of May in each year, and that should be left open so that the directors, prior to the calling of the annual meeting in each year might amend the by-laws to fix a suitable time and place from year to year.

A resolution has been prepared along this line, and when the members of the corporation are first convened, which I assume will be tomorrow, that resolution will be presented for the consideration of this body, and if it is desired, the necessary steps can be taken to amend the charter in that particular.

I do not know, Mr. President, that it is necessary or desirable to take up the time of the Convention in reading the charter, but if it is desired by the members, of course, I should be very glad to proceed with it.

THE CHAIRMAN:—It is not very long. I think we better proceed with it, Mr. Butler.

Error in Printed By-Laws.

MR. SIDNEY J. JENNINGS:—I want to call the attention of the Chairman to something in the report which I think is a mistake. On page 3, the fifth line from the bottom, it says that the State of Alabama and the northern district of Wyoming together shall elect one director. That must be a mistake.

MR. BUTLER:—That is a typographical error, Mr. Jennings. That should be, of course, the State of Montana instead of Alabama. Alabama is provided for above. (Reads Certificate of Incorporation of National Coal Association.)

Mr. E. N. Hurley entered the room.

THE CHAIRMAN:—Gentlemen, I believe the coal men of the country are more indebted to Mr. Hurley than to any one man I know of for good advice and comfort, and it is both a pleasure and an honor to introduce him. (Applause.)

ADDRESS OF E. N. HURLEY.

MR. E. N. HURLEY (Chairman United States Shipping Board):—I am very glad to meet the members of the National Coal Association in their first annual meeting. I have had the pleasure of meeting many of you personally, and discussing your trials and troubles while Chairman of the Federal Trade Commission, and I must say that you had many troubles, over many of which you had no control. In endeavoring to solve your problems, you experienced what many other branches of business experienced in the past, the Government's objection to your meet-

ing in Trade Associations in order to work out your economic problems. I have always been strongly in favor of Trade Associations, and have always felt that they had a proper and legitimate field of activity that was not open to criticism. It is, therefore, particularly gratifying to me to know that the Government now recognizes that in order to meet promptly the crisis of war, it is necessary for the coal men of the country, in an effective organization, to meet with the representatives of the Government and work out the problems of your industry in a practical way.

In the past, the American people have not appreciated coal. They have not known how fortunate they were in having immense supplies of the cheapest coal in the world. That was because there was always over-production. Neither the public nor you mining men realized the importance of your position in the nation's needs until last winter, and it has been distinctly helpful to have your importance brought home to you and the public. It has broadened your vision of your position in this country's affairs. It has made you feel the responsibility which each of us must personally feel and accept to-day. This is one of the first results which an Association of this kind will bring to you. It will teach you men to think not in terms of your own little private business, but in terms of the National Coal Industry; in terms of the greatest coal industry of any country in the world. It will help to develop in your ranks those nationally recognized leaders which every industry is fortunate to possess at any time and which are supremely necessary to-day.

Learned From Experience.

The experience of the past winter also taught the American people more about this industry than they ever knew before. They have a better understanding of the magnitude of undertaking to coal the United States of America. They know more about the difficulties which you men have had to overcome, but at the same time they have acquired a sharp conception of the fundamental importance of all you men and your work and for that reason they expect you to do your part in carrying on the war program of this nation. That expectation is more earnest since they understand more fully how vital your part really is.

It was absolutely necessary for the Government to step in and take over control of the coal industry. No man can say how long the Government may exercise its supervising control over the production and distribution of coal, but most all business men now appreciate that the Government is going to take an important part

in our affairs hereafter. Therefore, we do not face the question of the old methods of doing business, but we must all adapt ourselves to the new conditions that now prevail. We are all supremely interested in getting the best results. In my opinion, the only way to accomplish the best results is by co-operating with the Government in an intelligent and sympathetic way. Your association, from its inception, has taken precisely that position.

Operators Enlisted in Service.

Whether you know it or not, every coal operator is enlisted in the service of the Government, in the production and distribution of coal, and the sooner you recognize that fact the better it will be for you and the Government. The United States Fuel Administration has placed the distribution of coal in the hands of practical coal men. If we are to obtain effective distribution of coal to serve the war needs of this nation we must look to the practical men of this business to manage that distribution. That work is now in your hands. It is being directed by men chosen from your own numbers. We all believe that their work will be successful. In order to succeed, they must have the full co-operation and support of every coal man in the United States and in a whole-hearted patriotic way.

In past wars victory was thought largely a matter of purely military strategy. Under our highly organized system of to-day, the whole weight of the nation must back up with its full resources military and naval action. Otherwise there can be no effective action. This means that everything of basic importance needed to carry on the war must be operated as a unit. Coal is a fundamental. Transportation for the carrying of coal and all other commodities is another fundamental. Our Government is fast going ahead with its process of co-ordinating railroad systems and inland waterways, lake, coastwise and ocean transportation. Railway equipment is being provided. Fleets of ships and vessels have already been speeded from our shipyards, and many more will follow.

Preparing for Present and Future.

Whatever the length of the war, we are preparing in good measure for present and future. We are doing it in a large way, worthy of our great country. Not only for the war, but for the times after the war when we shall be called upon to do the immense work of rehabilitating devastated Europe. Other countries needed our coal before the war—nearly 21,000,000 tons of it annually. They have needed more of it since the war began.

They will need it after the war. And we will not only have the vessels and other vehicles to carry on our inland and coast waters and on our railroads the millions of tons of coal used yearly in this country, but we shall have a great merchant marine of our own to carry coal and all other American products to other countries.

Distribution Only One Part.

The distribution of coal is only one part of the problem. The coal requirements for the United States for the coming year are nearly three-quarters of a billion tons, and if this nation is to run on a war basis during the next twelve months, the coal mines must produce at least seven hundred million tons of coal. That is an enormous tonnage that the nation calls on you to furnish. We understand that in the past your production has been limited by insufficient transportation. The fact is now well understood, but the railroads of the United States have been brought under the direct control of the Government. We are told that one billion dollars will be expended this year in improving and expanding our railroad transportation facilities. With new locomotives and cars and with new tracks, bigger yards and better terminals and with centralized control, sooner or later the mines will be furnished all the transportation needed to haul their output to the points of consumption. It will then be squarely up to you to produce the coal. In the meantime you will have suffered a progressive loss in the numbers of your employees and unless you have made preparation to get the utmost efficiency out of your mines and your organizations, we will fall far below coal production that we will need.

It seems to me that one of the most important things your Association can do is to begin active preparations now to increase your efficiency so as to maintain the production of coal at the highest possible level. You have taken the first step in this direction by working out a uniform system of cost accounting and by organizing a Cost Accounting Department to assist mine operators to put their business on a sound basis. In every Trade Association the strong must help the weak and in most cases the weak are those who know the least about their own business. Accordingly, the first move to strengthen your industry is to teach those weak producers the facts about their own conditions. Coal should be mined at a profit, but no man can know whether he is really making a profit or not unless he knows his costs.

Profits are not all, however. No man can know whether his organization is really efficient or not unless he knows his costs

and unless he has some standard of costs, either the average for his field or the figures of the lowest producer which he can use to compare with his own. It is vital to us all to develop the highest industrial efficiency of which we are capable to-day. In one sense, this whole war is a test of industrial efficiency. Thorough-going cost accounting is the very basis of efficiency in your business, as in every other business. Accordingly, it is especially gratifying for me to know that you have already begun this first great educational work which you must carry on among the coal producers of the United States in order to increase your efficiency.

Examine Management.

In the next place, you should examine critically your own management. In my judgment, fifty per cent of the inefficiencies of coal production today are due to poor management. At this meeting your Association should recommend that in each district a Committee on Efficiency be appointed and that they put forth every effort to improve the management of the mines in that district. Many of your properties are well equipped and well managed and might serve as models for all the world. They set a splendid standard for the Efficiency Committee to measure up to, yet you know that there are hundreds of mines that are not well equipped; that are indifferently operated; that are loading poor coal, in short, that are poorly managed. They constitute a fertile field for your Efficiency Committee to cultivate. This is one way for you to show the Government and the people that your Association is really worth while. As long as you have inefficient management in any considerable part of the coal mining industry, this organization is necessary for the success of the coal mining business.

I have always thought that the mining of coal could be improved by the use of more supervision. The General Manager of a certain property once told me that in his mine he had a foreman to approximately every 200 men. The President of his company, after looking into the matter, asked him to increase the number of foremen and assistant foremen to one to every 40 or 50 men. This was done, and he found that the greater attention to detail, the better care of the property, the decrease in accidents and the general improvement of his organization resulted in a very definite increase in the production. We found the same fault in many of our shipyards when we had their management looked into. We found many yards had no competent foremen, no layout men, no supervision *at all* that modern industrial prac-

tice demands. We put a sufficient number of good superintendents and foremen into those yards and obtained surprising increases in the efficiency of production. Isn't it worth your while to make this kind of study of your own organizations? When we found that we did not have sufficient foremen or layout men, and that many of the men did not know the best methods of work, we established schools to teach the fundamentals of shipbuilding to the men and the superintendents.

Wants to Get in Touch With Men.

When Mr. Schwab made his first trip to Hog Island he wanted to get in contact with the workmen, the foremen, and the superintendents, instead of the president and vice presidents and he said: "Hurley, if we are going to build these ships, I must meet the workmen, foremen and the superintendents; they are the men that are going to finish this job for us." Your superintendents and foremen are running your mines while you are here in Philadelphia. You know that the superintendent out at the mine is on the job today and that everything will go all right as long as he is there. In addition to paying good wages to your workmen, pay your foremen and superintendents good salaries and encourage them with a bonus on your increased output.

If each industry in this country would have its superintendents and foremen get together, either through some auxiliary to their Trade Associations or through some school, to discuss ways and means to improve their methods of production and management they would materially benefit their industry.

Labor is playing a greater part in this war than in any other conflict which the world has known, and let me say here that in the United States labor as a whole is measuring up to its responsibility splendidly. The leaders of organized labor in Washington are men of the highest character, patriotism and honesty. All of us who are acquainted with Mr. Gompers' work know that he has endeared himself to the people of America and all of the Allied Nations by the position which he has taken in this war. He has about him other able men who are equally loyal and patriotic.

On the whole, however, labor as well as capital is not producing that degree of efficiency that it should produce in these trying times. If faulty management is responsible for 50 per cent. of the inefficiencies in the production of coal today, inefficiency on the part of labor is responsible for the other 50 per cent.

Men Must Give Steady Work.

The reports of the government show that from ten to twenty per cent. of the men in the mines are not working as they should. In mines that are given sufficient car supply there are some employees who are not working as steadily as they should. Some of these men fail to work their full 8 hours when they do enter the mines. Others work only 3 or 4 days a week when they might work six. Under these conditions, it is not a question at present of increasing the number of hours the mine operates per day, but it is a question of the men working fuller time each day and working more days in the week.

You may say that this is primarily a matter for labor itself to deal with. In part that is true, but have you yourself done all you can to remedy this condition? The President of one big Western Pennsylvania coal mining company recently found that with a full run of cars, a certain number of the cars were standing over at his mines every night and were not being loaded. He took the matter up with his men in a meeting and explained to them something of the necessity to the nation at present of having increased coal production to carry on the war and brought home to them, as best he could, their responsibility to mine the coal. After the meeting was over, some of the English-speaking miners came to him and said that if the country needed the coal they were willing to stay overtime and get other men to help load the cars that were left over each evening. That incident serves as an illustration of the spirit that can be roused in your men if they are properly approached. They are just as patriotic as you or I. Their sons and brothers are going into the trenches. They will do their part as earnestly as any of us if they understand clearly what their duty is, but it is first up to you, the Presidents and owners of coal properties, to do your part by going to the mines personally, obtain first-hand information and explain to your men the great need for increased production.

With full running time, the mine wage scales are remunerative and the men can make good earnings. Wages are based on the effort of the individual miner. Practically all of the coal in the United States is paid for on the piece-work basis at some rate per ton. Under these conditions, if the miner wishes to increase his earnings, he can do so by working more energetically and nearer full time. In getting increased efficiency from labor, therefore, there is no question of a fair day's pay for a fair day's work. The man can get his fair day's pay if he is willing to work.

I wish to express my admiration for the United Mine Work-

ers of America as a great labor organization that recognizes the piece-work basis.

Question of Piece Work.

The United States Shipping Board Emergency Fleet Corporation has established a rule that any piece-work rate set by any shipbuilder must stay in force during the period of the war. The controversies between employers and employees over the question of piece work has been most serious, and the employers in many cases have been chiefly to blame. Any manufacturer, whether he be a producer of coal or any other commodity, who sets a piece-work rate, finds he has made a mistake and then reduces that rate is doing a great injustice to the workman. A piece-work rate set by a manager, superintendent, or foreman is a contract that should be kept in force for at least one year. Furthermore, if this piece-work rate is on a particular machine, and the man or the operator should leave or be dismissed, the man who succeeds him should receive the same rate. A law passed by the Government making it compulsory for a piece-work rate to remain in force for a given time from the date it is put into effect would be helpful to labor and industry.

It cannot be doubted that in many industries there will be a decided shortage of labor after the war, not only in this country, but in most of the countries of the world. That country will best succeed which protects its workmen by improving their living conditions, by providing for insurance against accidents and protection for their families, and guaranteeing a fair return from their labor—all under conditions that will be helpful to make the worker a better citizen. The country taking those measures will be the country that will develop and produce products most economically, and will be performing a world service by producing goods at a price that will be fair to other nations. Unless we have efficient management and efficient employees, our country will be at a great disadvantage compared to countries which establish these improved conditions.

All Must Co-operate.

It is true that labor itself must do its full share in obtaining increased efficiency from mine labor, and if the operators have committees in each district to increase the efficiency of mine operation, the United Mine Workers should appoint committees to take up this matter of fuller working time and better effort on the part of mine labor. In some effective manner mine operators and mine workmen should co-operate in democratic fashion in

the common cause of winning this supreme struggle for democracy by obtaining increased production of coal.

Some of the problems that you are meeting in this industry we have had to meet in the building of ships, and a brief outline of our efforts to overcome them may afford you some suggestions that will be of value in solving your own problems.

In the sphere of shipbuilding we built ninety-one new wood and steel yards since last July. Most of the organization that built these yards, and many of those working on our great, new merchant marine, are men who had never before built ships. A vast force of men were put to work on yards and ships of all kinds. New foremen and new superintendents were engaged. Many obstacles, such as develop in a new industry, turned up, but we constantly tried to improve our knowledge about the building of ships. One particularly serious problem faced us. We found we did not have sufficient foremen or layout men. We started a number of schools to educate the men and teach the fundamentals of shipbuilding. Less than a year ago there were not 45,000 men employed in American shipyards—today we have 300,000 skilled mechanics and laborers in our shipyards, and 250,000 additional men are employed in making boilers, engines, winches, etc.

Educate Men for Their Tasks.

We have a Department of Education and Training, whose task it is to train workmen, foremen and superintendents. The training of the various kinds of shipbuilders in the yards is accomplished by putting the men to work on production jobs, under the supervision of a yard instructor. This yard instructor has full charge of gangs while they are learning. The jobs they do are selected for their educational sequence, but are all of them production jobs. The efficiency of a green gang under training will average about 80 per cent. of a finished workman. Yard instructors are skilled mechanics, to whom has been given a knowledge of teaching method. This knowledge is gained in a training center, which is designed to teach the skilled mechanics how to instruct. The mechanic is given an idea of instructional management and how to get the instructions across effectively. The difference between a yard instructor so trained and a production foreman is that the former knows how to go about the job of teaching; whereas, the latter does not have that knowledge.

The first training center was established at Newport News. To it were sent skilled mechanics, selected from the yards. They were given a six weeks' course of training, eight hours a day. During the last part of this course they were obliged to spend

forty hours in the actual handling of gangs of green men. Yard instructors are drawn from a variety of trades, such as riveters, ship fitters, ship carpenters, caulkers, etc. While each one teaches a different line, the instructor training which they get is essentially the same.

Twenty-two plants have sent men for training as yard instructors. Two hundred and sixteen of these men have completed their training and 74 are now in training.

In addition to the training center established in Newport News, there are now several others established; namely, at Hog Island, at Chester, Pa., at the Submarine Yard at Newark, N. J., and two special centers for the training of electrical welders at Schenectady, N. Y., in the General Electric Company, and at New York, in the Quasi Arc-Weltrode Company.

The Training Departments.

The training departments in the yards, which are responsible for the training of new men, are established as separate departments under the Director of Yard Training. He has under his direction a staff of yard instructors. So far, 13 yards have put in training departments. One yard instructor can train about 150 men per year. The period of training for a green man varies from two to eight weeks. One yard has already trained enough yard instructors in the training centers to turn out weekly 300 skilled mechanics within the yard.

In addition to the training of green men, there exists the problem of taking men who are already skilled in allied trades, but have never worked in shipyards, and making them into shipbuilders. This is called a Trade Conversion course and consists essentially of determining what supplementary work a skilled mechanic from the allied trades must have in order to give him the necessary knowledge to do shipbuilding work. Careful studies of this conversion process and the instruction necessary have been made and special trade conversion instructors are employed in a number of plants to meet this situation.

If we could do this in the shipbuilding industry, if we could develop in a year the building of wooden ships which has been a long lost art, if our workmen in many yards have increased in efficiency more than 25 per cent. through this method in the past few months, it can be done in other industries. We did it by improving the management. Where we have efficient management we have efficient workers. You can't expect to have efficient workmen in an inefficiently managed shipyard nor can you expect good results.

Men Increasing Output.

Our shipyard workers generally are as fine a body of men as is engaged in any industry in this country. They are a patriotic, industrious group, and while in many yards they are not as efficient as we would like to have them they are learning daily and are increasing their output. When the history of our shipbuilding program is written, the American workmen, the men who really built the ships, will be the men deserving of any credit that may be due.

If we have thus been able to start anew the building of ships, and in a year's time have organized a great new industry employing almost as many men as yours, if we are throwing away the old standards and setting up new ones, if we are breaking records every day, if we are devising new methods to improve our management and increase the effectiveness in the shipyards, I trust that you men will rouse yourselves to new efforts, will take a fresh view of your industry, and will obtain a sufficient production of coal, in spite of all the difficulties that may beset you, and will give the Government your thorough-going support in carrying on the war. These are the results that the nation will inevitably expect from you, and I am sure you will not disappoint the American people.

We are building ships not alone for the war, but for the future of world trade. Remember that once their part in the winning of the war is ended, a large number of them will be engaged in bringing back to home and industry the victorious soldiers, and in transporting to Europe the materials necessary for reconstruction of normal life freed from the menace of avaricious autocracy. These vessels will serve the commerce of other nations equally with our own.

And we are going to have a vast fleet. Let there be no doubt about that. We have many men in our organization who know how to build ships—tireless, able workers, who have their heart in this job. And we have in our organization also another man—I wonder if you have heard of him? He is the master shipbuilder of the world. I refer to Charles M. Schwab.

The building of ships, the mining and distribution of coal, the production and conservation of food products and other important war necessities are all vital to the nation's needs during these trying times. No great task can be undertaken, if quick action is to be obtained, without the making of some mistakes. We may make mistakes, but we are moving forward and getting results. We cannot go far wrong with the American people united and working for victory. If each of you will do your part, putting your country above everything else, we

will win. We have a country worth working and fighting for, and we have a leader worthy of our best support—a great American—the Commander-in-chief of the Army and Navy, Woodrow Wilson.

TO DISTRIBUTE COPIES OF SPEECH.

THE PRESIDENT:—That is worth getting hot for.

MR. PATTON, of Tennessee:—If it is not out of order, I wish to move you, sir, that the Secretary of this Association be requested to provide sufficient copies of Mr. Hurley's splendid address to furnish the operators here present for distribution among their men at home.

THE CHAIRMAN:—Mr. Patton, I will say for the benefit of the members here that this speech will be printed in all the daily papers. Will that be sufficient?

MR. PATTON:—Mr. Chairman, that is just the idea. Of course, it will be printed in the daily papers for the reading of the gentlemen here and others who read the daily papers, but a very small percentage of the mine workers read the daily papers. If this address can be printed and put into pamphlet form for distribution it could be taken and distributed where it will do the most good and be most helpful.

THE CHAIRMAN:—Gentlemen, you have heard the motion. Is it seconded?

(Motion seconded.)

THE CHAIRMAN:—Are you ready for the question?

The motion is that a sufficient number of Chairman Hurley's speech be printed by the National Coal Association to distribute among its members and by them distributed wherever they see fit. All those in favor will say Aye. Contrary. It is adopted.

CHARTER AGAIN TAKEN UP.

MR. BUTLER:—We will continue on with our work where we left off.

MR. BUTLER:—Mr. President and gentlemen, the charter was read in full and I suppose it would be in order to discuss any proposed amendments if any amendments to the charter are desired. I assume it goes without saying that the amendments will be presented here when the members of the corporation assemble tomorrow to act on it, but if there are any amendments to be substituted they had better be suggested now so that they can be formulated and presented and finally acted upon tomorrow.

MR. BREWSTER, of Illinois:—Mr. Chairman, I suggest that

the bottom of the paragraph on the second page, the words, "The By-laws may provide for additional votes based on the volume of tonnage produced by individual members and by members of organization members, and for this purpose the volume of tonnage so produced may be considered in units of not less than 500,000 tons," be stricken out.

THE CHAIRMAN:—There is the first question, gentlemen. You understand, Mr. Brewster, that this does not carry with it that being in the by-laws; it just says they may do that and I thought that question might come up in the by-laws.

MR. BREWSTER:—But it always provides that it may be gotten into the by-laws.

THE CHAIRMAN:—Yes.

MR. BREWSTER:—I believe that the National Coal Association should be a purely democratic organization and that the strength of the association should be a per capita vote of the members and that the suggestion of a voting strength based on tonnage is a dangerous one to the vitality of the institution. For that reason I move that those lines be stricken out.

MR. O. G. SCOTT:—Second the motion, Mr. Chairman.

THE CHAIRMAN:—Gentlemen, are you paying any attention to the motion as proposed by Mr. Brewster? If you will allow me I would like to have that proposition explained by Mr. Butler as he explained it to the Board yesterday.

MR. BUTLER:—Gentlemen, inasmuch as this entire subject, not only this particular subject to which Mr. Brewster has referred, but the general situation, will be before you for consideration to-day and a considerable portion of to-morrow, I think that you should have fully and frankly the atmosphere in which the present charter and the proposed by-laws were prepared. The committee in charge of this matter was Mr. Barker, as Chairman, Mr. Ogle and one other member, I have forgotten who it was, who was unable to attend the meeting.

THE CHAIRMAN:—Mr. Gross.

MR. BUTLER:—Mr. Gross. I beg your pardon. Mr. Morrow, your secretary, and myself were asked to sit at the meetings of the committee, which we did. I think at the first, or one of the early meetings of the committee, which was attended only by Mr. Ogle, Mr. Morrow and myself, having been delegated to the particular task, the question of representation was presented for consideration.

We have been told by the committee and previously by the Board of Directors, before whom the entire subject had been discussed, that it was the desire of the makers of the new organization to be entirely democratic, as Mr. Brewster suggests.

The interests of the individual operating company and the protection of the interests of the individual operator were considered to be the matters of first consideration and importance.

The problem was how to do it, and I think the charter as presented here contains a provision that is not only unusual, extraordinary, I might say, but so far as I know is unique, in that it was never contained in any other charter that I know anything about; namely, this provision, that the members of this Association have denied to themselves the right to vote as members for group directors unless they live within the territory embraced within that group, and the members have given to the members living within that group the exclusive right to name one or more directors from that group.

Membership in a corporation, whether organized for profit or not for profit, in every instance that I have ever heard of except this one, gives members as classes the same voting power, all members in the same class having the same power. Here it is not so. You have grouped your States and you recognize the right of each State or each coal-producing group as defined to elect its own director. You have thereby established your first step in making democratic your organization, recognizing each and every producing field in the country.

Now, the form of Government of the United States is democratic, and it has a much easier way to express its democracy than we have here, because the fathers or framers of our Constitution saw fit to create two legislative bodies. We are confronted with the practical necessity of having only one. The framers of the Constitution of the United States provided that the State of Rhode Island should have two Senators, the same as the State of New York, the same as the State of Texas. The two senators go with the State, regardless of population, regardless of area. The influence of the State of Rhode Island in the United States Senate is just as great theoretically as the influence of the State of New York or of Texas or of California. Against that proposition you have, on the other hand, representation on account of population, and there you have the State of New York with a population of nearly ten millions of people represented in the House of Representatives at Washington by some thirty odd or forty representatives, and I daresay that none of you gentlemen ever heard of the State of New York treading on the toes of the State of New Mexico in the House of Representatives or in making legislation.

Now, it was deemed advisable to create in this organization a charter or a constitution, which is the same thing, with this check and balance in it; recognizing the individual unit, the

operating company, and recognizing also the production of each member within the member organizations.

It is entirely a question of policy. It is not for me to say what your policy shall be. I have made this statement merely to point out the thing that was in the minds of the members of the committee at the time this provision was put in the charter.

As to the practical way in which this will work out, Mr. Bockus, an operator of West Virginia, stated yesterday at a gathering of gentlemen that in the territory in which his company operates three companies, I believe he stated, represented from 75 to 80 per cent. of the tonnage produced, and yet those three companies under the proposal contained in the by-laws will be only eight votes out of 28 votes in that territory.

I think that is fairly typical of the situation. It might seem that with this added voting power some abuse of the position of a large company might follow. I do not believe that it would be possible, and if it were possible I do not believe that it would be done.

Asks Time to Consider.

MR. RENAHAH:—I would like to suggest, Mr. Chairman, that inasmuch as very few of us have dwelt upon the weight of the Constitution and By-laws very recently it is not quite fair for proper consideration to have any matters passed upon in the way of deletions or substitutions at this particular meeting. We have had practically, many of us, no chance to properly go over all of the things presented, and I would therefore make a motion, Mr. Chairman, that all motions made and properly seconded for the purpose as I said of deletion or substitution or revision, be simply recorded and left for subsequent action to-morrow afternoon, giving everybody to-morrow morning a chance to go over the entire Constitution and By-laws together with the suggestions made and the motions as to the different sections.

Asks Full Discussion.

THE CHAIRMAN:—I would say, Mr. Renahan, that we have got to have this discussion out some time and it may take up the balance of the afternoon and to-morrow morning and afternoon with these discussions.

MR. RENAHAH:—Mr. Chairman, many of us are proceeding in the dark. Though we have heard Mr. Brewster's last resolution we do not know what it applies to. We do, of course, by reference, but I dare say there are dozens of us who have not sufficiently gone into the constitution and by-laws as submitted to know what the revision means at this time.

THE CHAIRMAN:—Of course, you know, Mr. Renahan, that this has already been before your Board of Directors for the last two or three months, and it is the best that could be gotten out of it, and I might suggest that if you turn it down here, you turn down your Board of Directors, and they have been doing this work faithfully and thought they did it very well. At the same time, we want to know what your objections are.

MR. RENAHAH:—I am perfectly agreed, Mr. Chairman, to withdraw it if everybody feels that they can now vote intelligently upon every sub-division there.

MR. WALSH:—In connection with the motion just made, I wish to state that I was present at a number of discussions referred to, and it was given the most careful consideration by your Board of Directors. We went into every detail of the matter, and finally outlined this program here which they thought would be satisfactory to this meeting. Before voting on it, I would suggest and I move that the Chair appoint a Committee to go into the details of it further and report back to this meeting to-morrow morning. I will put that as a substitute to the original motion.

Refer By-laws to Committee.

THE CHAIRMAN:—Mr. Walsh, you make a motion, as I understand it, to refer the whole question of these By-Laws?

MR. WALSH:—This particular clause of the By-laws.

MR. RENAHAH:—I accept the amendment, Mr. Chairman.

THE CHAIRMAN:—You mean by this motion to include only this one section. How about the other sections? Why not include them all?

MR. RENAHAH:—The whole of it.

MR. WALSH:—All right, if that is more satisfactory, I will accept that suggestion.

THE CHAIRMAN:—I think it would be a really good thing if you could but elect the Committee from the body here, instead of having the Chair appoint the Committee, make it either of five or seven members, so there will be no feeling that somebody has been prejudiced in the matter.

MR. WALSH:—I will accept that suggestion.

THE CHAIRMAN:—Mr. Brewster, what do you think of it?

MR. BREWSTER:—Mr. Chairman, we are here to do business.

THE CHAIRMAN:—Yes, sir.

MR. BREWSTER:—This matter has got to be discussed some time or other.

THE CHAIRMAN:—Yes, sir.

MR. BREWSTER:—The reference of it to a committee and the delay of that committee considering the matter and bringing it in here merely means delaying the discussion that has to be had on the thing. So far as I am concerned, I see no reason why we should not discuss this subject here and now. The only reason why I made that motion to strike out any suggestion of a voting strength based on tonnage, is on account of my own experience, and the experience of my associates in Coal Operators' Associations methods and the vitality of those associations:

Tells of Past Experiences.

Some years ago, it became the duty of myself and immediate associates to organize a considerable field in which at that time there were more members not members of the Association than belonged to it. And those of you who are familiar with the conditions in the State of Illinois knew the chaos that existed in that district and the absolute inability to accomplish anything of a constructive nature because it was felt that—rightly or wrongly—that the administration of our corporate affairs in the State of Illinois was run in an autocratic manner. At that time we worked out a plan giving every operator his voice, the large or the small, and the result of that is that we are 100 per cent. strong. There is not an operation in that field that does not belong to the Association, that does not loyally back up the operators of the state, and there is no one there who is not prepared to back up the best purposes of the National Association; but we felt that this Association, if it is going to be fundamentally strong, should actually carry its message to the smallest operator in the country, and that he should feel that he has as much to say about what is done in this Association as any other operator. (Applause.) If we had a tonnage basis of voting in our Association, three of us would control the Association. If we had a tonnage basis of voting in the State of Illinois, I suppose Illinois would be controlled by not to exceed seven. If a tonnage basis was adopted for this Association, we would be just as strong as any other part of the country, tonnage considered, but we do not believe it is for the interest of the Association to have anything in its charter or its by-laws that carries the notion to the smallest operator that he is simply being used for a purpose. We want to encourage his spirit in this thing and get his full co-operation. I tell you, gentlemen, that in this work it is necessary to have the fullest co-operation from every operator in this country.

It only takes a small hole in the bottom of a ship to sink it, and

this thing has got to be watertight to accomplish the results that we want to accomplish. My reasons for moving that are entirely patriotic, and I believe, in my judgment, it will make eventually for the strength of the Association.

THE CHAIRMAN :—Will you allow me to ask you a question?

MR. BREWSTER :—Yes, sir.

THE CHAIRMAN :—How do you reconcile the vote that you have got there of 3 votes for Illinois and only given 1 to Arkansas?

MR. BREWSTER :—That is a different thing.

THE CHAIRMAN :—Oh!

MR. BREWSTER :—The Board of Directors, as I understand it, are administrative, and to carry out the will of the Association.

THE CHAIRMAN :—It is a little more than that, you know.

MR. BREWSTER :—Well, I don't know that it should be.

THE CHAIRMAN :—Your theory is, then, that an Association with a production of four or five million tons a year of 50 or 60 members should have just as many votes in the Association as an association of 15 members producing 50 million tons.

MR. BREWSTER :—In the election of directors and the adoption of a constitution and by-laws—yes.

THE CHAIRMAN :—I want to get your thoughts on that question. The motion is on the question raised by Mr. Walsh's motion, I believe.

MR. WALSH :—We went up against that very proposition at the start-off—a great deal of objection to it. For this reason, it took over in our State, where there was one organization with sixty million tons membership, where they had about forty members, and there was another organization with a tonnage of about fifteen or twenty million tons, with 60 or 70 members. The small tonnage would at any time outvote the large tonnage of the State. Well, as a matter of fact, the large tonnage, the large producers paid considerable more into this institution or organization than the small ones, that is, the large membership with the small tonnage; and it was not considered fair or right, and it took this means to equalize that difference, and I, myself, think it is right.

I think we should have a general discussion along those lines. I think the man who is putting up the large proportion of the money to carry on this organization should be given recognition. I think it is only fair and just that he should have it; and that seemed to be the sentiment of your directors. I still think that a Committee appointed by the members here present, to go into this thing further, go into the merits of it, and report back here tomorrow morning, is the proper thing to do.

Favors Mr. Brewster's Motion.

MR. REESE:—I want to favor Mr. Brewster's motion for this reason: The plan of distributing the directors into the various districts, grouping the districts over the country so as to make the board of directors representative, is a good one. This proposition simply means this—a question of simply putting into the big fellow's hands the power to crush the little fellow. If that is it, he will not use it.

I have been closely associated with an association in Iowa that has a certain provision in its by-laws that, under certain circumstances, we can vote on the tonnage basis, with the result that, for ten or twelve years, we have never voted on that basis. Why? Because whatever you have to vote on, you must have something that will be supported after the vote is taken. If, in this association, you put through a proposition by a few large tonnage votes, that is not popular, the rank and file will not support it. So, the question is simply whether or not if you now adopt the tonnage proposition that will scare a lot of the little producers away.

The big fellows always control in everything because they have to be big fellows to have big operations, and the big fellows can always get the little fellows with them when they are right, and so, if you keep this thing democratic from the start, without the fear that some day a few big producers are going to railroad and steam roller the little fellows, you will find you will have more enthusiastic support in the little tonnage districts and among the little tonnage members, in all districts.

To refer this matter to a committee is simply pursuing the great American game of passing the buck. (Laughter and applause.)

You have to settle this matter here. This is your constitutional convention, and you are going to decide here whether or not you are going to have the tonnage basis vote.

The experience of the Iowa Coal Operators' Association, who put that proposition into effect some twelve years ago, has been that whenever you are tempted to use that method of putting a proposition over, you back down, for the reason that you know that if you put it over, and the majority are opposed to it, it is not going to be a success. That, of course, is in a voluntary association. This is going to be a corporation, but we have all had experience enough with corporations and associations to know that if any measure is to be successful, the people must be behind it.

The big fellows have nothing to fear by adopting Mr. Brewster's proposition. As he tells you, the district he represents has been organized and maintained at 100 per cent. because the little fellow in that district, if his assessment amounts to only 80 cents and ours to \$800 has just as much to say and has just as many votes as we have. The result is they can never holler about the big fellows running the organization unless the big fellows run it as they do most things, because they have the brains and can get support.

I hope this will not be referred to a committee, but that Mr. Brewster's motion will be adopted. (Applause.)

MR. R. H. T. ADAMS, of Lynchburg, Va.:—I move that the assessment of the little fellows, if this change is made, shall be the same as the assessment of the big fellows; that each one pay the same dues, if they are to have the same voting power.

MR. REESE:—I understand that that is the arrangement, that each fellow pays according to the tons he produces; that the assessment is on so much per ton. (Laughter.)

THE CHAIRMAN:—The motion before the house is Mr. Walsh's motion to refer this matter to a committee of seven to be appointed from the body, instead of the Chair. Are you ready for that question?

MR. BREWSTER:—I should like to make a point of order at this point.

THE CHAIRMAN:—I turned the thing upside down, Mr. Brewster, so as to make progress. Do you want me to put your motion first?

MR. BREWSTER:—I do not want to insist that we pursue strict parliamentary tactics, to obtain any advantage.

THE CHAIRMAN:—You are clearly in order, if you want me to put your motion first.

MR. BREWSTER:—What we want, of course, is the sentiment of the meeting. I am perfectly willing that the other motion shall take precedence.

THE CHAIRMAN:—I think the point of order is well taken.

A VOICE:—What is the motion?

THE CHAIRMAN:—It is a motion calling for the appointment of a committee to make a report on this proposition, the committee to be appointed from this body, and calling for the vote of this body on the report of that committee.

A VOICE:—This body will have the final vote in the end, anyway.

MR. GREENLAW:—I should like to ask Mr. Walsh whether he believes, after the committee has gone over this again and passed

on it, the rank and file will be any better informed as to the sentiment of this body?

THE CHAIRMAN:—We have all been over this for several months, and we have had discussion upon discussion on this thing.

MR. WALSH:—Mr. Chairman, I simply wish to explain my position. The committee from the Western Pennsylvania District are instructed with reference to this tonnage vote. That is the reason why I took exception to the motion of Mr. Brewster. I had no idea whatever of passing the buck as Mr. Reese intimated. After the great consideration given this matter by your Board of Directors, I do not feel that there should be any drastic action before giving some of the members who may be appointed by this body an opportunity to go into the fullest details as to whether this matter should be put into the Constitution. I still think you will make a mistake if you do not pursue that course.

THE CHAIRMAN:—The motion before the house is on Mr. Brewster's idea that that part of our charter, at the bottom of page 2, referring votes considered in units of not less than 500,000 tons be stricken out. That motion has been properly seconded, and is up for discussion.

MR. WATKINS:—Will you be good enough, Mr. Chairman, to repeat Mr. Brewster's motion again. Some of us were out on committee work and do not understand it.

THE CHAIRMAN:—At the bottom of page 2, the charter has this clause:

"The By-laws may provide for additional votes based on the volume of tonnage produced by individual members of organization members, and for this purpose the volume of tonnage so produced may be considered in units of not less than 500,000 tons."

Mr. Brewster moved that that be stricken from the charter, which motion has been seconded, and it is before the house now.

MR. WATKINS:—I should like to say a few words to the motion if I am in order.

THE CHAIRMAN:—You certainly are.

MR. WATKINS:—As one of the Executive Committee of the Central Pennsylvania Operators' Association, as I understood it this morning, we have the right of the floor. We recently organized an association of two hundred and forty some odd members, and with a tonnage of 57,000,000. The foundation of that organization was based upon the members represented, without regard to their tonnage—each member entitled to a vote—and

it is entirely in line for us, representing that association, to support Mr. Brewster's motion.

I heard a few of Mr. Reese's remarks, and judging from my own experience in these matters, I heartily agree with what he says. I believe this matter should be settled according to the sentiment of this body. I believe that the democratic principles have been so well expressed by Mr. Reese that it is hardly worth while to dwell on that feature further, and I believe that we will get the co-operation of the small men and operators and that the association will be more successful if you eliminate that portion and let each member have a vote regardless of tonnage. (Applause.)

MR. JOHN GIBSON, JR., of the Somerset County Coal Operators Association:—Speaking for the Committee of the Somerset County Coal Operators Association, we were instructed to support the unit vote.

MR. GALLAGHER:—Did Mr. Walsh have an amendment and a motion before the house?

THE CHAIRMAN:—I think, in order to facilitate matters this afternoon we should put Mr. Walsh's motion first, but that has been objected to.

MR. GALLAGHER:—Did Mr. Walsh amend Mr. Brewster's motion?

THE CHAIRMAN:—He made a separate motion.

MR. RENAHAN:—Mr. Walsh made a motion that I accepted. I withdrew mine.

THE CHAIRMAN:—Mr. Walsh's motion was that a committee of seven be appointed from this body to go over the charter and the by-laws and report back to this body to-morrow morning their recommendations.

MR. GALLAGHER:—There seems to be a great division between the gentlemen. I think Mr. Walsh's motion should carry. It is a very important thing, and it should be considered carefully, inasmuch as the board of directors has gone over this matter very carefully during the last several months, and I think this matter should not be passed upon finally in the next few minutes. I think the motion should be carried, and that it should be referred to the committee, and that the committee should go into every detail, and that that committee should submit its report to this body, and that the body should vote on it as a whole. I should be very much in favor of supporting Mr. Walsh's motion.

MR. BREWSTER:—After what has been said, although I was disposed to waive my right of way, which my motion had, I think I shall ask that my motion be put, if that is now in order.

MR. WALSH:—There seems to be a little misunderstanding

of my motion. I did not put it as a motion; I put it as an amendment to Mr. Brewster's motion.

MR. BREWSTER:—I made a motion that certain words in the Constitution be stricken out.

THE CHAIRMAN:—Certain words in the charter is the motion, as I understand it.

MR. BREWSTER:—Yes; and the motion, as I understand it, was to refer the matter to a committee.

MR. WALSH:—That was an amendment.

MR. BREWSTER:—Is that an amendment?

MR. WALSH:—Yes.

MR. BREWSTER:—Are you going to have that in the Constitution?

THE CHAIRMAN:—There will be some difficulty in voting on anything in this body under our old charter and By-laws. We cannot tell just exactly who is entitled to vote and who is not, and it will make an endless amount of trouble. If I had anything to say about it, we would appoint a committee, and I would put you on this committee, and have this committee report back to-morrow morning. I do not see how we can get a vote under our old Charter and By-laws. That is the reason we are changing them.

MR. BREWSTER:—As I understand it, the vote would be taken as an expression of sentiment in regard to these things which have been submitted. We will not enact this constitution and by-laws at this meeting. It is simply to get the sentiment of this body.

THE CHAIRMAN:—I understand, but how many votes have you on this proposition, if it is to go to a vote?

MR. BREWSTER:—I do not know.

THE CHAIRMAN:—I do not believe you do.

MR. BREWSTER:—I do not see why we cannot get the sentiment of this body on this matter.

THE CHAIRMAN:—How? Is the Chair to decide on the number of votes here?

MR. BREWSTER:—Yes.

THE CHAIRMAN:—It cannot be done under the by-laws.

MR. BREWSTER:—Then vote on the report of your Credentials Committee.

THE CHAIRMAN:—Yes, but we do not understand who is entitled to vote and probably never will, and that is the reason we are making these changes.

MR. BREWSTER:—Is there any reason why we should not bring out at this meeting the sentiment as to whether we should have the tonnage basis or not?

THE CHAIRMAN:—As a matter of special privilege, I should be glad to put it to the house. Are you ready for the question?

Asks for Committee of Seven.

MR. RENAHAN:—I move that a committee of seven, to be known as a committee of revision, be appointed by the chair, the duty of that committee of revision being to accept all motions properly seconded and accepted by the Chair, for consideration and presentation to the body as a whole, not later than to-morrow at 2.30. I make that as an amendment to the motion.

THE CHAIRMAN:—But if you do that, we shall never get through.

MR. WILLIAMS:—I suggest that if Mr. Brewster's motion is out of order, it is not subject to amendment—the other gentleman is out of order also.

THE CHAIRMAN:—The Chair did not rule Mr. Brewster was out of order.

A VOICE:—I think we will proceed in a better way if we proceed along parliamentary lines. Mr. Brewster's motion was to submit the whole subject to the body.

MR. COYLE:—I feel that there are going to be several amendments offered to the charter and to the by-laws, and that is going to necessitate a long discussion, if everybody here is permitted to take part in it. I realize that the committee of the board of directors, that has formulated this charter and by-laws, has given it very close and careful attention. No word appears in them that they had not good reason for putting in, and they should have an opportunity to be heard before we vote them out.

I believe a motion to recommit takes precedence over all other motions, except a motion to postpone, and the previous question.

Insist on Committee Appointment.

Consequently, I am going to make a motion that a Committee of Seven be appointed, and that this whole matter of the Charter and By-Laws be referred to that Committee, and they be requested to report here to-morrow morning, so that we will have the morning session to discuss this question; that this Committee shall meet this evening and remain in session to give every member present who desires to be heard, a chance to appear before that Committee and give his reasons for any change he desires made in either the Constitution or the By-Laws.

THE CHAIRMAN:—Now, gentlemen, we have got a straight question. Is that motion seconded?

The motion was duly seconded.

THE CHAIRMAN:—You have heard Mr. Coyle's motion. How did you put that, Mr. Coyle, that the Chair appoint?

MR. COYLE:—The Chair to appoint a Committee of Seven. (Cries of Question!)

MR. BUTLER:—Mr. President, I am not a member of the Association, and perhaps I should not say anything, but I do not think anybody has any pride of opinion about the Charter or the By-Laws. They were brought here for consideration. They are very important; they have received very careful consideration. It is admitted that both of them as printed should be amended. Maybe they ought to be amended more, but it seems to me that you will make greater progress if we sit right here and thrash it out on the floor where everybody can be heard and get everybody's views, and have it open and above board, and you will come to a better understanding of the entire situation. I do not think it is advisable to refer to a Committee, because you would only delay the time when the matter would come forth here anyway.

That is only a suggestion, Mr. President, and I ask pardon for making it. (Applause.)

Decries Prospect of Deadlock.

THE CHAIRMAN:—Now, Gentlemen, the Chair wants to make this ruling. Mr. Coyle is in order. We will have to proceed here in the ordinary method of a majority of the members here present voting, because as the Credentials Committee told you, it will be impossible to get a vote based on our old by-laws and constitution, and we cannot afford to get into a deadlock. We have got to be reasonable, so I am going to put Mr. Coyle's motion, which was that the chair appoint a committee of seven to hear complaints and arguments regarding the charter and report back its recommendations to the General Committee tomorrow morning at 9.30.

As many of you as favor that motion will please rise.

(Members rise.)

Those opposed will please rise.

(Members rise.)

THE CHAIRMAN:—The motion is lost.

MR. ADAMS:—Mr. Chairman, I would just like to ask the counsel who had the Charter and By-laws, if there is any by-law prepared to carry this constitutional provision into effect. I have not had a chance to read them yet.

MR. BUTLER:—There is, Mr. Adams.

MR. ADAMS:—There is?

MR. BUTLER :—Yes, it is printed and you should have a copy right there.

Old By-laws Still in Effect?

MR. P. H. GREENLAW :—Mr. Chairman, the question was brought up by the Chair a minute ago that I want to ask information about. The statement was made by the Chair a few minutes ago that this body could not vote on any question that is brought up, and I thought I would like to ask the Chair for information, and for what reason can we not vote under the old by-law. We must be in session under the old by-laws. Is it a fact that we have to pass and approve the new by-laws before we do any business? There must be a hitch somewhere. It may be irregular.

THE CHAIRMAN :—We can enlighten you very quickly if you will listen to Mr. Barker. He explained it once before to-day.

MR. GREENLAW :—Just a minute. If we waive anything that might have been done in an irregular fashion, and entitle everybody to a vote who has paid all regular assessments, could we not get down to business immediately?

THE CHAIRMAN :—Explain that to him, Mr. Barker, why they can't do this.

MR. EDWARD SOPPITT :—What is before the house now? Is there a motion before the house?

THE CHAIRMAN :—Yes, sir; Mr. Brewster's motion is before the house.

Ask Vote on Brewster Motion.

MR. SOPPITT :—I move that the former motion be put, Mr. Chairman. What is the motion, Mr. Chairman?

THE CHAIRMAN :—To strike out that part of the charter that I read to you.

MR. SOPPITT :—I ask that we have the former question, Mr. Chairman.

THE CHAIRMAN :—Are you ready for the question on Mr. Brewster's motion? It is to strike out of the charter the bottom of page 2, starting with "the by-laws may provide" and ending with "units of not less than 500,000 tons." Are you ready for the question?

MR. HENDERSON :—Mr. Chairman, are we to vote under the old by-laws?

THE CHAIRMAN :—Mr. Henderson, Mr. Barker has explained that. Mr. Barker told you who the members were this morning when he reported to the Credentials Committee who were entitled to vote, but he also stated that there were several

remittances on the way, some were at Washington, some had passed in transit, and that he could not absolutely give you the exact members that were entitled to vote. So there is no way to count the vote in that manner, and we cannot have a deadlock. So I have ruled on that question that the majority will decide those questions, those present at the meeting.

MR. HENDERSON:—Why couldn't they vote on the face of it?

Propose Discussion to Finish.

MR. WILLIAMS:—Mr. Chairman, if we are not in a position to vote on these questions now, why not go through and hear a discussion on them until we are prepared to vote? I understand from Mr. Brewster's last statement that he simply desired the sense of the meeting—that is, that we might express our opinion of his motion. I think it is important that we take our steps properly in this matter. If we are not in a position to vote, we are always in a position to talk.

THE CHAIRMAN:—All right, if you want the sentiments of Mr. Brewster explained. Are you ready for that question?

(Cries of Question!)

THE CHAIRMAN:—Those in favor of Mr. Brewster's motion to strike out—there was an expression of sentiment here to strike out that part of the Charter that I have just read to you—will please rise.

(Members rise.)

THE CHAIRMAN:—Those not in favor please rise.

(Members rise.)

Brewster Motion Carried.

THE CHAIRMAN:—The sentiment is in favor of Mr. Brewster's motion, gentlemen. (Applause.)

What other features of the charter meet with objection of any member? I would like to have an expression on the other features. Mr. Barker wants to make a further report of this Credentials Committee.

MR. BARKER:—Your Credentials Committee, Gentlemen, would like to ask that the Associations—I will explain further that several Associations have elected to cast their vote for the Association through one or more accredited delegates. Your Committee has received several of such communications, but they are not all in. Your Committee would like to have those credentials handed in at once. If there are any associations here who have since they came, decided to cast their vote in that way instead of casting it as members of the Association, won't you

please arrange for it and let your credentials go to the Committee, and send them all in at once so we can make our final report to you.

Asks Basis of Representation.

MR. BREWSTER:—Mr. Chairman, I heard the report of the Credentials Committee, but I am not informed as to what basis of representation that committee reported on as to the qualification of the members to vote.

THE CHAIRMAN:—The question of having paid their dues, they did not vote on tonnage basis.

MR. BREWSTER:—For instance, I heard that the Fifth and the Ninth Bureaus were entitled to seven votes. Why seven? We have forty companies, I think, in that Bureau.

THE CHAIRMAN:—Did you pay all of your assessments? Mr. Barker might tell you.

MR. BARKER:—The records that we have here, Mr. Brewster, are that the Fifth and the Ninth Associations have not paid.

MR. BREWSTER:—And the Central Territory?

MR. BARKER:—And the territory of the National Association, yes.

MR. BREWSTER:—We have paid all of the assessments that we have had, except the special one for advertising. My understanding is that the advertising money never was spent.

THE CHAIRMAN:—Only partially.

Define Regular from Special Funds.

MR. BREWSTER:—In other words, the notices for the assessment were sent out to the members of the association for a special assessment for advertising, that is, for a publicity campaign, and some paid and some didn't. The consideration of that action was reconsidered, and the campaign was not carried out. Therefore I assume that that advertising assessment was assessed as a special fund, and was to be dealt with later. It seems to me that the representatives of the different bureaus throughout the country should be passed upon as to whether their regular assessments have been paid.

THE CHAIRMAN:—This has been passed on by the Board of Directors that that assessment should be levied, that is the Board of Directors passed that order for an advertising assessment and you did not pay the assessment. It was afterwards merged and became a part of the general ruling by the directors and therefore you cannot vote until that assessment has been paid.

MR. BREWSTER:—Do you think that that ruling of the Board of Directors is a wise decision?

Rule on Payment of Assessments.

THE CHAIRMAN:—Whether wise or not, Mr. Brewster, you didn't pay it. That is the point, and that is what we are face to face with here.

MR. BREWSTER:—Well, you didn't spend the money, either. That is something that is to be considered.

THE CHAIRMAN:—That is not a subject to be taken up here in that way, as I take it.

MR. BREWSTER:—We are placed here in the light of being in default. We are not in default of our regular assessment, and that is the one that should be taken into account on the question of a vote.

THE CHAIRMAN:—This has all been taken account of, and the ruling has been made by the Board of Directors that this fund is merged, and we find that the Fifth and Ninth District has not paid up.

MR. BREWSTER:—That is not the only one that has not.

THE CHAIRMAN:—Oh, yes, I think it is.

MR. BREWSTER:—Williamson County never paid it.

THE CHAIRMAN:—I am not talking of whether they have paid it, the majority of them have paid it or signified their intention to do so; therefore they are in a different position.

Treasurer's Record is Guide.

MR. BREWSTER:—You think those that come in later and didn't pay it should have a vote?

THE CHAIRMAN:—Anybody that Mr. Barker read their names off this morning is entitled to a vote.

MR. BREWSTER:—And anyone whose names were not read off was because they are still owing to the association?

THE CHAIRMAN:—Surely; and this fund has been merged since by your Board of Directors into the general fund.

MR. BREWSTER:—How is that created? How is that apportioned?

THE CHAIRMAN:—How is what created?

MR. BREWSTER:—That money?

THE CHAIRMAN:—That money is created by a general assessment, and it has all gone into the general fund of the association.

MR. BREWSTER:—That is, if we don't pay up, we are shy, is that the idea?

THE CHAIRMAN:—Surely; you are absolutely shy.

MR. BREWSTER:—They are shy in the association; how about the new one?

THE CHAIRMAN:—They will be shy in the new one, too.

MR. BREWSTER:—Then they have got to surely pay up?

THE CHAIRMAN:—Surely.

Explains Advertising Plan.

MR. MORROW:—Mr. Brewster, in order to clear up one or two details here that are doubtful to yourself and some other members as well, let me say that the primary reason why the advertising campaign in respect to car shortage was not carried out, was because the day after the advertising campaign was authorized and confirmed at a general meeting in Pittsburgh, the President of the United States took over the railroads, and the National Coal Association did not carry out or did not think best to carry on a campaign against the Director-General of Railroads, who had only been in office two hours, and they desired to defer any action in the matter until it was established that it was the proper thing to do as the railroad situation developed under its new management. That is the reason that no advertising was done at that time. The fact remains, however, that some extensive advertising had been made or provided for and preparations had been made for advertising, but the money has been put into the hands of the coal operators, for instance in the Southwest and in the State of Indiana to carry on advertising, if they thought best to do so.

Directors Discussed Assessments.

At a recent meeting of the Board of Directors, the whole question of these assessments was brought up, and it was found that some action was necessary in advance of the incorporation of the Association, with respect to outstanding payments that had not been made. It was the sense of the meeting there that the best thing to do was to merge the assessment; and so now it is not an assessment for the express purpose of advertising or publicity, but it is on a par with the first assessment, or a call for funds for the general purposes of the Association; and that all members would have whatever payment they had made theretofore credited to them simply as a payment into the general funds of the Association. Then when this fund would be taken over

and become the property of the new Association, if a new Association was formed, it would be turned over simply as an assessment that had been made, and so much of it collected from the various members and was in the general fund in the treasury, and would be the property of the entire membership; and inasmuch as that was so, they thought it would be only fair that the newcomers should contribute something to the jack-pot in which they were putting their money the same as the others, so it was decided, as I think you have all been informed, that an initiation fee of one-quarter of a mill per ton on the preceding annual production should be paid into that reserve fund. That is the way the matter stands, and it has only been very recently that that action was taken.

Counsel informed us that something of that kind was necessary to be done if we would be in a proper position to turn over the assets of the old company into the hands of the new company or Association when formed.

May Not Have Been Informed.

It may be quite true that several of the Associations, perhaps, have not received sufficient notice about it that that is one of the reasons why—I would not say that we have been negligent in this matter—but that is one of the reasons why the work of the Credentials Committee has been so difficult, and why it has been so difficult for them to arrive at any equitable results under the circumstances; and why it seems desirable to proceed now in a more or less informal manner in this discussion. It is owing to this fact, and the realization of this situation, that Mr. Barker reported for the Credentials Committee simply as a report of progress with no definite report as a final report; and that is why that simply a percentage of the total vote of some of the Associations was only credited to them. For instance, if there was a vote under normal conditions of 100 in your Association and 40 per cent. of your assessment was paid, why, you could vote 40 per cent.—you were credited with 40 per cent. or 40 votes. If 100 per cent. of your assessments had been paid, then you would be entitled to a hundred votes.

MR. BREWSTER:—I understand under the by-laws, new members are given sixty days in which to pay assessments.

A MEMBER:—Will the gentleman permit me to ask a question?

MR. MORROW:—Yes; certainly.

THE MEMBER:—There has not been a report to this Association on that subject, the important subject before we can do any business.

Funds Not Yet Received.

MR. MORROW:—Mr. Barker was not able to report because, as he said, they were not yet in possession of all of the reports from the members present. There are some gentlemen that claim they have paid up, their checks are in the mail, but he has not received them—he didn't receive them before he left home, and, therefore, there is a hiatus. We realize that it is not exactly fair and right to shut out somebody merely because the payment has not reached us. In other words, we know that in certain cases the checks are on the way, but how much they have paid we have not been advised, so that matter is doubtful, as Mr. Barker said, and it will probably remain in doubt during the session of this Convention.

THE MEMBER:—It seems to me there ought to be a report to this Association on this matter so that we will have some idea of our exact situation, and so that we can take some affirmative action.

MR. GREENLAW:—I would like to clear up a little smutty reputation that we have got here a little while ago in the Fifth and Ninth District. If you are going to work on the payment of all assessments levied, I don't believe there is one in the house who has paid up 100 per cent. The original assessment was for one mill a ton for a year. The call on that assessment was one-quarter. We have never had the second call; that is, the first one was made and we paid it. The assessment was for one mill a ton for a year, and then came along this special assessment.

THE CHAIRMAN:—Did you pay that assessment?

MR. GREENLAW:—We did, the first assessment; that is, the first quarter. We have put the whole assessment in the bank subject to your call; that is, a second quarter which has never been called. We have not paid the special advertising assessment, as it was called irregularly by your Board. Since we have gotten into a sort of a deadlock, and since a new member coming in is met with an assessment of a quarter of a mill, how do you reconcile the situation of the other members in the meeting who have not paid the special assessment when the new members come in with a less payment and are considered in good standing? It seems to me that in order to do anything, to get this cleared up, that there should be a ruling that all those who have paid their regular assessment should be entitled to a voice in this meeting, taking all of the membership and as regulated by the original by-laws under which we are still working, and thus avoiding any discussion on the question of the irregularity which happened as to the special assessment. The original assessment as I said was one

mill for the year and three-quarters of it has never been paid, has never been called for, and, as I say, the second quarter is now collected and in our bank waiting for the call.

THE CHAIRMAN:—You were called on for an assessment, weren't you?

MR. GREENLAW:—There was an assessment made, but we claim it was an irregular assessment. Only one-quarter of the regular assessment was called for, and that we paid.

THE CHAIRMAN:—Wasn't there a call for a special assessment for advertizing purposes?

MR. GREENLAW:—That was by wire, and called for payment to the General Secretary; but three-quarters of the first assessment has never been called for.

THE CHAIRMAN:—We didn't need it.

MR. WALSH:—Well, did the Board of Directors have authority to make a call for that special assessment?

THE CHAIRMAN:—We thought so, or we would not have done so. It was called and every one responded, except the Fifth and the Ninth District. The others paid up.

Wants Full Credentials Report.

MR. REESE:—I suggest, if we are going to get any work done, that we have got to get away from this proposition and get to a legal basis of doing business. We did not take action on the report of the Credentials Committee. I assumed, and I presume others did, that as long as the Credentials Committee had unfinished business, that we would not move to adopt this report. I see now that it was a mistake to pursue that course. The question of a vote, it being legal or illegal, would have to be ruled that it is illegal, that we were not organized. We are here, we were invited to discuss this report and criticize it. Now, we started in to do that and we didn't get very far. Now, then, we get into this session. The committee requested this morning, in regard to those that were not 100 per cent., that the representatives would come to the committee room and help straighten it out. Now, the committee has made no further report. We have not acted on the report that they did make, and any one that wants to be technical can throw a snag into the wheels here any minute.

THE CHAIRMAN:—That is so.

MR. REESE:—I submit, Mr. Chairman, that the Committee on Credentials be requested to make a report at this time, and that their report be acted upon before any further business is done, so we can get down to a business basis.

THE CHAIRMAN:—Can you read your report again, Mr. Barker?

MR. BARKER:—I haven't my report right here, but I can get it.

MR. WILLARD:—I came to Philadelphia not because I had been in very close touch with the National Coal Organization which you are now proposing shall be laid away carefully and buried and a new one brought to life; but I came here imbued with the idea that I had heard so many years that at some time and at some place the coal operators of the United States of American world be one in aim, in ambitions, and in all of the things for which we are striving not only for themselves, but for the good of their country. (Applause.)

Praises Directors' Work.

I came here to-day believing that, and I am not changed in my views, notwithstanding the remarks of the gentlemen, or the vote that has been taken, that the Board of Directors who have been in Washington giving their time there for me and for you, and for your interests, my interests, have not been entirely selfish. (Applause.) I believe they have been devoting their time largely to bringing about the meeting that is here evidenced to-day. Now I believe it is the duty of those of us who come here, and I want to say that I am not a large operator—nobody can accuse me of being a large operator, I am a little operator—but I am not ready to say that after all of the toil, labor and struggle that these men have gone through to present to us to-day this complete program for our acceptance, that we should out of hand strike off here and notify them that we in a measure have no confidence in them, and that after a superficial examination of this thing, that it don't please us. I think that is all wrong, gentlemen. (Applause.)

If the good Chairman here were to ask me to serve on a Committee of Seven to go into a room and decide whether these things were right or wrong, I would refuse to do it—I don't know, but I believe there are many men here that do know it. I believe that we should have confidence in these gentlemen that have given their time to this thing, and I think we should be very slow in our criticism and in offering motions or in doing anything to throw a lack of harmony into this meeting with the result that we do not attain the ends for which we all were so hopeful when we came here.

Can't Please All.

In closing, I want to make one suggestion: There is not a corporation that exists on the face of the earth that has many

stockholders, either for profit or without profit, that all of the members think it is perfectly organized. I have belonged to many, and I have never found one.

When the Constitution of the United States was adopted, you all know that there were objectors in it, and they objected until their names were actually on the paper, and after the thing was accomplished they died objecting to it, yet the Constitution prevailed, and it has been a benefit to all of us. There are some in Congress today that do not believe the apportionment under which they were elected is right or fair, but Congress prevails, and we must have a Congress. Gentlemen, we must have a National Coal Association. The time is propitious for adopting it today, so, gentlemen, why not let us have it and do not let us, at this time, take any action, overt or otherwise, that will prevent us carrying out this project. (Applause.)

THE CHAIRMAN:—The Chair wanted to make this suggestion to you: When your Board of Directors and your committee were working on this charter and certificate of incorporation and the By-laws, they purposely raised the number of directors to such a large number, that we thought that would satisfy everybody in the country, and we apportioned it so that it would satisfy everybody; and we further, in this certificate of incorporation and in these by-laws you will find later on, give this large Board of Directors authority to change this charter, and authority to change the by-laws after a certain amount of notice has been given—certain length of notice has been given. We supposed, of course, that while there might have been an objection here and there on account of these 29 directors being elected in a regular way that we would have harmony here and nothing but harmony to start with, and that once we got started here, this new Board of Directors would have authority to go ahead and do all of these things and make these changes which they deemed wise.

We also thought that after these 29 directors were elected and had worked under the by-laws for a year on the tonnage basis, they having authority to do away with it or to change the charter, if unsatisfactory, that that would appeal to you. But it ill-becomes the Chair who has been acting as Chairman at all of these meetings to-day, that he appoint all these committees, but he feels that members from the floor of this house should be appointed, if there is to be a committee appointed, that is elected by our membership.

MR. BOCKUS:—There is a situation known in chess which is called "stalemate." You have decided, Mr. Chairman, that

this body cannot pass on anything. You state that it can only express its opinion. We are just wasting time unless this matter gets back to a position where there prevails some authority, and where there is created some sort of a body which shall be prepared to pass upon these questions. You might talk here until the cows come home and you would not reach any place at all until you get an electorate who can pass upon the question. You have just decided that you gentlemen do not know who are the voters here, that that cannot be told. The best thing that can be done is to simply express an opinion. That leaves the question just where it was before. How are we ever going to get away from that point?

Call for Report of Committee.

THE CHAIRMAN:—Mr. Reese suggested here to get away from that point, that we have Mr. Barker read his Credentials' Committee report again, and we have the report of the Committee the first thing in the morning, and then after you have adopted that, we will have a basis for voting, and we will be ready then to go ahead. That seems to be the only way to clear it up. I hope somebody will move to adjourn until to-morrow morning when we would have this Credentials Committee report read and either adopt or take other action on it.

MR. BOCKUS:—Is it possible that we could not have this report of the committee to-night? If we wait until to-morrow, we will be in exactly the same situation we are now. Why wait?

THE CHAIRMAN:—Then you will have the report and you will adopt the Committee's report, and you will have a basis for voting.

MR. BOCKUS:—You can just as well get that right to vote tonight, get the report of that Committee and get action, so that we will know where we are at.

MR. LEWIS:—I move that we suspend the present order of business in order to hear the report and pass on the report of the Credentials Committee.

Motion seconded.

THE CHAIRMAN:—Will you wait for a few moments until we can get this report here, Mr. Lewis?

MR. LEWIS:—The object of my motion is that if the Credentials Committee are ready to make a partial report, why, let us adopt it, and know what we are doing and know what we are up against.

THE CHAIRMAN:—We will get it; we will have it in a minute. Mr. Barker has gone after his report.

MR. THOMPSON:—This begins to look like a Coal Operators' meeting to me. (Laughter.) I don't see why we cannot have the question of our organization cleared up and not have so much of speeches. If we have this Committee report and will adopt it, then we can go ahead and adopt this Constitution and By-laws as we have it here, and see how we get along under this as proposed. If you find at the end of next year when the war is over that you have any quarrel to make with it, why it will be time enough then to take the matter up. I don't think it is a good idea at this time to try to tear something that is apparently good, to pieces, just because you may have a different idea regarding some particular paragraph, simply from a casual, off-hand reading of it. At another time when there are less weighty matters before this country and for our consideration, we can take those matters up. I think it is time to drop all this quibbling, and either act under the new or under the old Association, or else go ahead and disregard them both and get a new Association and have some affirmative action.

THE CHAIRMAN:—Mr. Thompson, we are sending for the Credentials Committee Report, and if you adopt that report, you will have an active body who have a right to vote.

MR. THOMPSON:—Let us accept the Credentials Committee reports and go ahead and do something.

MR. LEWIS:—The object I had in making this motion was in order to have it adopted and suspend discussion of everything which we were discussing here and have that report adopted. I call for a discussion on the motion.

THE CHAIRMAN:—Just a moment, Mr. Lewis, and we will have the report, when we can have action taken on it. Will you please restate your motion, Mr. Lewis?

MR. LEWIS:—I move that we suspend the present order of business in order to hear from the Credentials Committee with either a complete or a partial report.

Motion seconded.

THE CHAIRMAN:—It has been regularly moved and seconded, gentlemen, and you have heard Mr. Lewis' motion, and all of those that are in favor of it will say Aye. Contrary? The motion prevails.

(Motion adopted.)

MR. LEWIS:—Now, Mr. Chairman, I call for the report of the Committee on Credentials.

Report of Credentials Committee.

MR. BARKER:—Mr. Johnson has acted as secretary of the Credentials Committee, and I will ask him to read the report as we have it, with the number of votes that each Association is entitled to, following out the rules laid down to us by the old Constitution and By-laws.

MR. JOHNSON:—I will say, Mr. Chairman, that the Credentials Committee has not as yet received the detailed Credentials Report from the delegates as to the names of their representatives; but we have the names of the Associations and the names of the companies, and have undertaken to set down the actual number of votes they are entitled to under the present Constitution:

The Brazil Black Coal Producers' Association: 9 votes.

Central Illinois Coal Bureau: 36 votes.

Central Ohio Coal Operators' Association: 23 votes.

Central West Virginia Coal Operators' Association: 105 votes.

Coal Operators' Association of Georges Creek: 49 votes.

Coal Trade Bureau of Illinois: 15 votes.

Fifth and Ninth District Coal Bureau: 7 votes.

Franklin County Coal Operators' Association: 11 votes.

Grafton Coal Operators' Association: 8 votes.

Harlan County Coal Operators' Association: 27 votes.

Hazard Coal Operators' Exchange: 30 votes.

Indiana Coal Trade Bureau: 43 votes.

Iowa Coal Operators' Association: 86 votes.

Kanawha Coal Operators' Association: 59 votes.

Knox County Coal Operators' Association: 7 votes.

Logan Coal Operators' Association: 46 votes.

Low Volatile Coal Producers Association of Pennsylvania: 55 votes.

Middle Tennessee Coal Operators' Association: 9 votes.

New River Coal Operators' Association: 43 votes.

Northeast Kentucky Coal Operators' Association: 47 votes.

Northern Illinois Coal Operators' Association: 3 votes.

Northwestern Pennsylvania Coal Operators' Association: 60 votes.

Operators' Association of Thick Vein Freeport Seam of Pennsylvania: 1 vote.

Operators' Association of Williamson Field: 34 votes.

Pittsburgh Coal Producers' Association: 40 votes.

Pittsburgh Vein Operators' Association of Ohio: 30 votes.

Pocahontas Operators' Association: 44 votes.

Somerset County Coal Operators' Association: 24 votes.

Southern Appalachian Coal Operators' Association: 119 votes.

Southern Indiana Coal Bureau: 30 votes.

Southern Ohio Coal Exchange: 75 votes.

Southern Wyoming Coal Operators' Association: 8 votes.

Southwestern Virginia Coal Operators' Association: 32 votes.

Southwestern Interstate Coal Operators' Association: 155 votes.

Tri-State Coal Shipping Association: 15 votes.

Tug River Coal Operators' Association: 33 votes.

Upper Potomac Operators' Association: 6 votes.

Utah Coal Producers' Association: 4 votes.

Washington Coal Producers' Association: 24 votes.

West Kentucky Conservation Association: 43 votes.

Williamson County Coal Operators' Association: 3 votes.

Winding Gulf Operators' Association: 39 votes.

Central Pennsylvania Coal Producers' Association, application pending, 246 votes. It is understood that when the Central Pennsylvania Coal Producers' application is finally accepted or disposed of, that the Low Volatile Coal Producers' Association of Pennsylvania will be absorbed in that vote.

Individual Members.

The individual members of the National Coal Association which the Committee has reported on as being entitled to vote by reason of payment, are as follows:

Pickands Mather & Company: 1 vote. In fact, in all of these they have but one vote, that is, one vote each, as follows:

Albuquerque & Cerillos Coal Company;

Aztec Coal Mining Company;

Cabin Creek Consolidated Coal Company;

Cambridge Collieries Company;

Carbon Fuel Company;

Consolidated Coal Company of Saginaw;

Dering Mines Company;

Gibson Lumber & Fuel Company;

Herminie Coal Company;

Juanita Coal & Coke Company;

Loyal Hanna Coal & Coke Company;

Miami Coal Company;
National Fuel Company;
Oakdale Coal Company;
Phelps-Dodge Corporation;
Roden Coal Company;
Rugby Fuel Company;
St. Louis, Rocky Mountain & Pacific Company;
Saline County Coal Company;
Sunnyside Coal Mining Company; ,
Union Coal & Coke Company;
Victor-American Fuel Company.

Now, there are a number of companies, I might say, Mr. Chairman, where there may be some question as to the actual number of votes they are entitled to by reason of the percentage of payment that was made, and which may alter this at a later report, but that is the present report of the Credentials Committee as finished up to this noon meeting.

MR. GUTHRIE:—Mr. Chairman, I move that the report of the Credentials Committee as made by Mr. Johnson be adopted by this meeting, and that the votes therein stated control, the vote to be by roll call.

The motion was duly seconded.

MR. HASKINS:—I move also in addition to what Mr. Guthrie has stated, that the Committee on Credentials be continued.

THE CHAIRMAN:—What is that, Mr. Haskins?

MR. HASKINS:—That the Committee on Credentials be continued.

MR. GUTHRIE:—Mr. Haskins, I am perfectly willing to have the Committee on Credentials continued, but I want this meeting to go ahead.

MR. HASKINS:—That is right.

MR. GUTHRIE:—And I want this committee's report adopted, and then we will do business, and do it on the basis of the report that has been handed in. Let us stop all this quibbling about whether we can do anything or what we can do.

MR. HASKINS:—I agree with Mr. Guthrie, but we want the Credentials Committee to be continued.

MR. GUTHRIE:—No, sir, I am perfectly willing to have the Committee on Credentials continue, but this is the final report for this committee and I do not want it to happen that a later report will be brought in which will change our basis of voting.

THE CHAIRMAN:—Are you ready for the question?

Cries of "Question."

Report Adopted.

THE CHAIRMAN:—Those in favor of adopting the Credential Committee's report as a basis of vote control of this meeting will signify it by rising.

(Members rise.) That will do, gentlemen. Those opposed to the adoption of the Credentials Committee's report will please rise. It is unanimously adopted.

MR. WATKINS:—The report of the Credentials Committee mentioned the Central Pennsylvania Operators' Association, the Coal Producers' Association, as being one of those with an application pending. I understand this will prevent the Central Producers' Association from voting at this session.

THE CHAIRMAN:—Mr. Watkins, I think that matter was disposed of this morning.

MR. WATKINS:—I was not here if it was.

THE CHAIRMAN:—It was asked if the Central Pennsylvania Coal Producers' Association, the Central Pennsylvania, would be allowed to vote at this meeting, and it was decided that you would.

MR. WATKINS:—Thank you very much.

THE CHAIRMAN:—Also, the Panhandle of West Virginia, which was a small association.

MR. FRANCIS:—It is stated that the District of West Virginia is short 40 votes in proportion to the number of companies and the number paid for. We would like to have that corrected.

THE CHAIRMAN:—Mr. Johnson would like to make a statement on that right now.

MR. JOHNSON:—What one is that?

MR. WATKINS:—Logan County.

MR. JOHNSON:—I would say the committee was governed by the record as furnished by the Auditor and the Secretary and the Credentials Committee will be glad to have the representatives of the Logan County Association meet with them again and take up that matter and see what can be done about it, and any other delegates where the vote appears to differ from what they think they are entitled to, the committee will be glad to have them come forward before the committee.

MR. LOCKHART:—The Somerset Coal Operators' Association would like to have that done.

THE CHAIRMAN:—We have just passed a motion that we adopt that as the basis of voting, and that will be final.

MR. BOCKUS:—Just to get home, I want to suggest that of these members represented here some of them have as many

as sixty votes, and would be entitled to elect a chairman and to vote either solidly or in such fashion as the organization may agree upon, otherwise we will have some confusion in handling the vote.

THE CHAIRMAN:—That is up to you, sir.

MR. GUTHRIE:—I think the gentleman is anticipating trouble that will not happen. There are several here equipped in the manner he has described, and I imagine there is sufficient here from the other delegation to do the same.

MR. HAMILTON:—Mr. Chairman, I would ask on behalf of the Credentials Committee that where associations desire to vote as a unit they present their credentials properly signed to the credentials committee, which will be necessary to provide for that basis of representation.

THE CHAIRMAN:—That should be attended to, gentlemen, and promptly, too.

MR. HAMILTON:—We already have a great many credentials of that sort, but there are a number of associations I know have caucused on this matter, but have not yet given us any information as to who their delegate is.

MR. GUTHRIE:—Mr. Chairman, is there a question before the House?

THE CHAIRMAN:—No, not now.

MR. GUTHRIE:—I move the adoption of the charter as read by Mr. Butler.

The motion was duly seconded.

THE CHAIRMAN:—It is moved and seconded, gentlemen, that the copy of certificate of incorporation of the National Coal Association, as read by Mr. Butler, be adopted in its entirety.

MR. BUTLER:—Yes, Sir.

THE CHAIRMAN:—And it was properly seconded. We are ready for the question now, and discussion.

MR. GUTHRIE:—It seems to me now, sir, that we have discussed this charter all afternoon and that we are ready for a vote. I move you the question.

(Cries of Question.)

THE CHAIRMAN:—Gentlemen, we will have to have a few moments until we get the typewritten copy of the report of the Credentials Committee, so we can take this vote. In the meantime we can go ahead and discuss our by-laws.

MR. GUTHRIE:—Mr. Chairman, pending the receipt of the typewritten copy of the Credentials Committee's report, I suggest that we proceed with the reading of the by-laws.

MR. MILLER:—Mr. Chairman, I move we adjourn.

MR. GUTHRIE:—Gentlemen, what are we here for? You have got to all get out of here to-morrow night. The day after to-morrow is Memorial Day and there is no one of us who wants to stay over Thursday. There is no more important business before us than to get this Association going. It is now only half past five, and we can put in half an hour more on this. We are all uncomfortable, but the sooner we get it over with the sooner we can get through. Let us go ahead and put it through.

THE CHAIRMAN:—Mr. Miller, will you withdraw that motion?

MR. MILLER:—Mr. Chairman, I withdraw the motion to adjourn.

THE CHAIRMAN:—Mr. Butler, go ahead.

MR. BUTLER:—Mr. President and gentlemen; the suggested form of by-laws, Article 1, on Members.

“Section I. Election.

Every applicant for membership shall present a written application accepting and agreeing to abide by the provisions of these by-laws and any amendments thereto, which application shall be submitted to and acted upon by the members or by the Board of Directors.”

THE CHAIRMAN:—You have heard what the Chair said this morning, that unless there is an objection it was agreed as Mr. Butler read these different sections that we would consider them as agreed to. Please bear that in mind.

MR. GUTHRIE:—Let us have that thoroughly understood now, Mr. Chairman, by this meeting. We all understand now, do we, that as Mr. Butler reads these sections of the by-laws unless there is an objection they are agreed to. The first section has already been read and, there being no objection, I assume it is agreed to.

MR. BUTLER:—The next is section 2.

MR. BROPHY:—Before he reads another paragraph, I was endeavoring to find the paragraph on who is eligible for membership.

MR. BUTLER:—That is in the charter, Mr. Brophy.

MR. BROPHY:—What page?

MR. BUTLER:—In the Charter, on page 2, Article 4 of the Charter.

“Section II. Initiation Fee.

Each applicant for membership which has not been assessed by the National Coal Association, a voluntary association, predecessor of this corporation,—” and I might say, gentle-

men, that there are some applicants for membership who have not been assessed. I think I am correct in saying that the Iowa operators have not been assessed, the Central Pennsylvania, and perhaps some others, have not been assessed by the National Coal Association.

"———shall, upon its election to membership herein, pay to the treasurer of this corporation as an initiation fee one quarter of one mill for each and every ton of coal produced by such applicant, if for an individual membership, or produced by the members of such applicant, if for an organization membership, during the year ended March 31, preceding such election. In no event shall any initiation fee for either class of membership be less than the sum of fifty dollars (\$50.)

"Each organization member accepting after May 29th, 1918, shall pay as an additional initiation fee on account of such new members one-quarter of one mill per ton on the production of such new member, so accepted by said organization member during the year ending March 31st preceding."

THE CHAIRMAN :—Adopted. Go on.

MR. BUTLER :

"Section III. Termination of Membership.

(a) *Automatic Termination of Membership.* The membership of any member of the Association which is indebted to the National Coal Association, a voluntary association which this corporation is to succeed, shall automatically terminate unless on or before sixty days after the 29th of May, 1918, such member so indebted shall have paid either to this corporation or to said voluntary association the full amount of its said indebtedness.

(b) *Resignation.* Any member of the Association may tender its resignation at any time and such resignation shall be accepted in the event full payment has been made by the resigning member of any and all assessments and each and every installment thereof theretofore levied against it and which remains unpaid on the effective date of such resignation.

(c) *Expulsion.* Any member of the Association may be expelled for any reason deemed sufficient by the Board of Directors by a two-thirds affirmative vote of the members of the board present at any meeting. But no vote on expulsion may be taken unless written notice to the member proposed to be expelled, which said notice shall advise said member of the time and place of said meeting and of the reasons for which expulsion is proposed. Like notice shall be given to all other

individual members and members of organization members of the Association. It shall be the privilege of the member proposed to be expelled to appear and be heard by the Board of Directors before it shall take final vote on the question of said expulsion."

MR. J. R. WILLIAMS:—I do not wish to delay, but I do suggest that the Board of Directors should not be given power to expel a member of the Association. Expulsion should rest in the hands of the Association itself. I never knew before of such power being given to the Board of Directors. I offer a motion to amend that in this respect, that the expulsion of members be left to the vote of the stockholders—a member may be expelled by the vote of two-thirds of the members or stockholders present at any meeting.

THE CHAIRMAN:—I do not hear a second to that motion. The motion is lost.

MR. BUTLER:—(Reading.)

"Section IV. Meetings.

(a) *Annual Meetings.*—The Association shall hold its regular annual meeting in Washington, D. C., on the second Wednesday of May in each year beginning with the year 1919 for the election of directors and for the transaction of such other business as may properly come before the meeting. Written notice of the time and place of holding such meeting shall be given to each individual member and to all members of organization members entitled to vote in this Association not less than thirty days before the date of holding such meeting."

It will be necessary to explain in a few moments—I believe I did it this morning—that the law of Delaware provides that your by-laws shall prescribe the place and time of holding meetings. That can be amended from year to year and the power to amend shall be left with the Board of Directors, as I understand it.

(Continuing reading.)

"(b) *Special Meetings.*—Special meetings of the Association may be held at any place within the United States upon call by the President or Board of Directors, or upon demand in writing stating the object of the proposed meeting and signed by one-third of the members of the Association. Thirty days written notice of the time, place and object of each special meeting shall be given to each individual member and to all members of organization members entitled to vote in this Association.

"Section V. Representation.

At each annual or special meeting of the Association each individual member and each member of an organization member shall be entitled in addition to the vote provided in the certificate of incorporation to one vote for each one million tons of coal produced by him or it during the year ending the last day of the preceding month of March. In determining the tonnage so produced by any individual member or by any member of an organization member only tonnage subject to assessment by the Association shall be taken into account. No individual member and no member of an organization member not in good standing as hereinafter defined shall be entitled to participate in the proceedings of any meeting or to cast any vote or ballot. A majority of all votes cast shall bind the Association unless herein otherwise provided."

MR. BREWSTER:—Mr. Chairman——

THE CHAIRMAN:—We are waiting for a vote on that, Mr. Brewster.

MR. REESE:—I suggest that we go on with the charter.

THE CHAIRMAN:—Certainly, Mr. Reese.

"Section VI. Proxies.

At all meetings of the Association any member of any organization member shall be entitled to cast by or through a duly credited officer or proxy all the votes to which he or it is entitled, upon establishing to the satisfaction of the Credentials Committee appointed by the meeting his or its non-delinquency to the organization member to which he or it belongs, and at such meetings of the Association each individual member shall be entitled to cast by or through a duly accredited officer or proxy all the votes to which he or it is entitled.

"Section VII. Tonnage Reports.

Each member shall report in writing to the General Secretary within twenty days after receipt of written request therefor, such accurate information relating to its tonnage production, if an individual member, or to the tonnage production of its members, if an organization member, as may be so requested under direction of the board of directors or Executive Committee.

ARTICLE II. BOARD OF DIRECTORS.

"Section I. Determination of Terms of Office.

Of the first members of the board who shall be elected by the Ohio and Pennsylvania anthracite groups, one director elected by each of said groups for the two-year term. Of the first members of the board who shall be elected by the Illinois and West Virginia groups, two directors elected by each of said groups shall serve for the one-year term, and one director elected by each of said groups for the two-year term. Of the four directors first to be elected by the Pennsylvania bituminous group, two shall serve for the one-year term and two shall serve for the two-year term. Of the eight directors at large first elected four shall serve for the one-year term and four shall serve for the two-year term. Determination of the terms to be served by the directors first elected by the Ohio, Illinois, West Virginia, Pennsylvania anthracite and Pennsylvania bituminous groups as hereinabove provided, shall be made by lot between or among the directors elected by each of the said groups respectively, and determination of the terms to be served by the eight directors at large first elected shall be determined by lot among said eight directors. The remainder of the thirty-seven members to be elected at the organization meeting of the corporation shall determine by lot among themselves the terms to be served by them.

Section 2, as amended to meet what seemed to be the predominance of opinion as reflected in formal conference held yesterday, to read as follows:

"The Board of Directors may elect officers, appoint agents, and do any and all other things the members themselves might or could do under the provisions of the laws pertaining to corporations or authorizing the incorporation of this Association; but the Board of Directors may not amend the by-laws, except the provisions of Article I, Section 4 thereof, with reference to the time and place of holding the regular annual meetings of the corporation."

"Section III. Vacancy in Board of Directors.

MR. O. G. SCOTT:—I want to offer a motion that the election of a director, in the case of a vacancy, shall be made from the group from which he was first elected.

A VOICE:—Does that refer to a vacancy caused by the dropping out of a director—his unexpired term—or does that contemplate filling a vacancy for the full term?

MR. BUTLER:—To fill out the vacancy. Mr. Scott, the reason the suggestion you made cannot be embodied in the by-laws is that it is considered illegal, and I do not think the present language will interfere in any way with accomplishing the result you desire. It would be impossible, in my judgment, to arrange for a legal meeting under the laws of Delaware of the group, for instance, in Illinois, separate and apart from a meeting of all of the members of the Association. When that group has, in any way that it may determine among its members, intimated the man who is the choice of that group for a successor, and recommends that man to the Board of Directors, that is just as compulsory on the Board of Directors to elect him on that recommendation, as it would be on the suggested election, and if you went through the form of holding one in the State of Illinois, and I think it would be better, because it would be a legal and valid arrangement, and I doubt very much whether the holding of an election in the State of Illinois would constitute a valid election of a director.

MR. SCOTT:—You mean it would be illegal for the group from which he was originally elected, to elect a man to fill the vacancy?

MR. BUTLER:—Yes; I do not know of any very practical way to work out a meeting of the members of the corporation where only a portion of the members are called to the meeting. In a corporation, all members are entitled to notice of meetings, and it would be cumbersome and very questionable whether an election by the Illinois group would be valid. On the other hand, a recommendation will undoubtedly be followed, and the election of the director would not be invalid.

MR. SCOTT:—Would it be illegal for the group to nominate, and the Board of Directors elect?

MR. BUTLER:—I think Mr. Brewster, sitting there by you, will tell you that the only prerogative a member of the corporation has is to vote for whomsoever he chooses, and the by-laws cannot state how he shall vote. He can vote for anyone he wishes, and it would be inappropriate for the by-laws to state that he shall elect any particular man as a director. Therefore, I put in the word "recommend," knowing it would carry all the weight that an election would carry and it would not create any position where the tenure of that man's office could be called into question legally.

THE CHAIRMAN:—Is that explanation agreeable to you, Mr. Scott.

MR. SCOTT:—I think so.

"Section IV. Election of Officers and Appointment of Agents and Committees.

The Board of Directors shall elect all officers and appoint all agents of the Association and may appoint such standing or special committees as may be found necessary or desirable to carry out the objects or transact the business of the Association.

"Section V. Meetings.

Meetings of the Board of Directors shall be held quarterly on the second Wednesday of the months of July, October, January and April in each year beginning with the month of July, 1918, and an organization meeting shall be held annually immediately upon the adjournment of the annual meeting of the members of the Association. The first meeting of the Board of Directors shall be held at the Bellevue-Stratford Hotel, Philadelphia; Pennsylvania, on Wednesday, May 29, 1918, immediately upon the adjournment of the first meeting of the Association for the election of directors. All subsequent meetings shall be held at the office of the Association in Washington, D. C., or at such other place as may be designated in the notice of the meeting. A special meeting may be called by the President or the General Secretary, whenever in the opinion of either of them such meeting is necessary, and must be called by the General Secretary if requested in writing by one-fourth of the members of the board. Reasonable notice of the time and place of each regular or special meeting must be given by the General Secretary to each member of the board.

"Section VI. Quorum.

A majority of the members of the Board of Directors is necessary to constitute a quorum for the transaction of business. In the absence of a quorum fewer directors than a quorum may adjourn the meeting from time to time.

"Section VII. Revenue.

The Association shall raise no revenue other than that required to pay all its legitimate expenses, including such unusual or extraordinary expenses as may be authorized and incurred from time to time at regular or special meetings of the members, the Board of Directors or the Executive Committee in furtherance of the business and objects of the Association.

The moneys required shall be raised by just and equitable assessment which shall be levied from time to time against the members by the board of directors. Within two days after the board has levied any assessment notice thereof shall be given to each and every member of the association stating the amount of such assessment and the date or dates on which the same was ordered by the board of directors to be paid. Each and every member shall pay to the treasurer of the association on the date or dates so fixed the amount of the assessment and any instalment or instalments thereof against said member due on said date or dates in accordance with the terms of said levy and notice. Sixty days' default in the payment of any assessment or instalment of any assessment of which notice shall have been given to any member as herein provided, shall entitle the board of directors without notice to the member or members so in default to discontinue the privileges and services of the association to such member or members until the default in payment of such assessment or instalment is cured. Each member of the association shall be liable for and agrees to pay its proportionate share of the expense of conducting the business and carrying out the objects of the association as aforesaid, based upon the tonnage production of all individual members and all members of organization members; but no newly-elected member, and no new member of an organization member, shall be required to pay any assessment to the association based upon tonnage produced prior to the date such member was admitted to this association or to membership in such organization member, except as initiation fee as in these by-laws provided. No assessment or instalment of any assessment shall be made due and payable within sixty (60) days prior to the date herein provided for the holding of the annual meeting of the association. No organization member shall be relieved from liability for the full amount of any assessment against it by reason of the fact that any operating company within its membership has resigned or failed or refused to pay any of its assessments to said organization member of this association: Provided, however, that the board of directors of this corporation may exercise its discretion as to relieving organization members from liability, for assessments levied by the board of directors against organization members which have been unable to collect any assessment or instalment due such organization members from their own members.

The board of directors is hereby authorized and directed to levy against individual members pro rata on the basis of tonnage produced by them and against organization members pro rata on the basis of tonnage produced by their members such assessments as may be necessary for the Association's financial support, and to collect in the name and on behalf of the Association each and all such assessments.

Collection of assessments or any instalment thereof from members of organization members may be made direct by the Association at any time at its option.

No provision in these by-laws shall be held or construed to impose upon any co-operating company, incorporated or unincorporated, which is a member of an organization member or upon any individual member of the Association, any liability to make a double payment to the Association by way of assessment or otherwise, by reason of the fact that the tonnage production of any such operating company is represented in more than one membership in the corporation.

MR. SCOTT:—I do not want to be considered as an objector, but for my information, I should like to know what would prohibit this organization from assessing some members \$100,000 under that authority. I think there should be a maximum limit.

THE CHAIRMAN:—Mr. Butler, what have you to say about that?

MR. BUTLER:—That was considered, Mr. Scott, and the answer is of a twofold character; first, it was thought that the maximum amount that would be assessed at any one time, as it must apply ratably on a tonnage basis, would not be in excess of the needs of the Association in any way, because the by-laws distinctly provide it cannot be, and that there would be no inducement to the members or the directors to levy any extraordinary assessments, because to whatever extent that assessment was levied, they would have to share in it themselves. So, there is always that restraining influence—no director wants to vote away any more money of his operating company than is necessary. In the next place, we may feel perfectly secure in saying that a mill a year or two and one-half mills a year is ample. Six months or a year from now, conditions might change, and if you had a limitation in here of a mill or two and one-half mills, you might want to raise it to five mills; particularly now, since the amendment of the by-laws is in the hands of the members, that might necessitate a calling of the members of the Association to amend the

by-laws, to make the assessments in excess of that provided, and in the next place, of course, it is human nature the moment you set a figure—if you, for instance, should say two and one-half mills applied to a membership of four and one-half million tons—for some one to get out a lead pencil and say “That amounts to two and one-half million dollars, and what is anybody going to do with two and one-half million dollars; I am against that figure of two and one-half mills; we should make it one mill.”

Those are the things that induced the directors and those concerned—and there were many members of the Association that participated in the deliberations—those were the considerations that induced us to lift the lid off, so to speak.

MR. BREWSTER:—It seems to me people would be more apt to get out their lead pencil and throw up their hands if we left it unlimited. We had an Association meeting in Illinois, which was well attended, and the suggestion was there made that the Board should not have authority to assess, in any one year, more than one mill per ton without the confirming action of the Association, and it was also suggested that, as bearing upon this matter, and perhaps the cumbersomeness of getting the Association together, that it was a matter which might be well settled by letter ballot. There is a general opinion in Illinois that it should be limited to one mill a ton.

A VOICE:—This matter, I think, should lay over with the other matters passed. If the representation should be changed, it seems to me only fair and equitable to reconsider the method of raising revenue.

MR. REESE:—I wish to state, that it does not seem to me that this is at all a dangerous proposition. It seems to me that is a perfectly safe proposition, and that the Board of Directors will not levy an assessment that is not necessary under all the circumstances that may exist. I do not believe it should be delayed, and I do not think that should be changed.

THE CHAIRMAN:—Do you withdraw your objection, Mr. Brewster?

MR. BREWSTER:—I feel obliged to state the sentiment of the meeting held in Chicago the other day. I made no motion. I am merely informing you and the meeting that that was the sentiment of these operators who represented a very considerable tonnage in Illinois.

THE CHAIRMAN:—There is no motion, then, Mr. Reese.

MR. BUTLER (Reading):—

"Section VIII. Members in Good Standing.

No individual member in default in the payment of any initiation fee, assessment or instalment of any assessment created or levied against such individual member by the Board of Directors, of which notice shall have been given to the individual member as herein provided, shall be considered to be a member in good standing; and neither an individual nor an operating company which is a member of an organization member shall be considered to be in good standing so long as any default exists either in his or its relationship with such organization member or in the payment to this Association of any initiation fee, assessment or instalment of assessment created or levied by the Board of Directors against any organization member on account of such individual or operating company; provided, however, notice of such last mentioned default shall have been given to the organization member as herein provided.

ARTICLE III.

OFFICERS.

"Section I. Officers.

The officers of the Association shall be chosen by the Board of Directors and shall be a president, three vice-presidents, a treasurer and a general secretary. The Board of Directors may appoint such other officers as it shall deem necessary, who shall have such authority and shall perform such duties as from time to time may be prescribed by the Board of Directors.

MR. MCCOY:—I suggest an amendment be made there so as to make our retiring president each year a member of the Executive Committee.

MR. BUTLER:—That is provided for in a later section.
(Reading.)

"Section II. Eligibility and Compensation.

The President, Vice Presidents and Treasurer shall be chosen from the members of the Board of Directors and shall serve as such officers without compensation. They shall, however, be entitled to be reimbursed for any necessary and proper expenses incurred by them in the performance of their duties as such officers.

"Section III. President.

The President shall preside at all meetings of the Association, of the Board of Directors and of the Executive Committee. He shall be a member ex-officio of all regular or special committees and shall perform all such other duties as usually pertain to his office.

"Section IV. Vice President.

In the event of temporary disability or absence of the President one of the Vice Presidents shall perform his duties.

"Section V. Treasurer.

The Treasurer shall receive all money payable to the Association, and shall disburse moneys only upon written orders signed by the General Secretary and countersigned by the President or someone delegated in writing by the President to perform this duty. Such orders shall be the Treasurer's only vouchers for disbursements. He shall carefully account for all transactions of his office and make full report of the same at the quarterly or special meeting of the Board of Directors at annual meetings of the members or at any time upon demand of the President or Executive Committee.

"Section VI. General Secretary.

The general secretary shall be secretary of the Board of Directors and of the executive committee. It shall be his duty to maintain his residence at the national capital and to devote his time and efforts to promoting the objects of the Association and extending its membership and influence. He shall have possession of the records and archives of the Association, attend to the proper publication of all reports, conduct official correspondence, attest documents and perform such other duties as are usually pertinent to his office or as may be required of him by the president, Board of Directors, or the executive committee. He may, with the approval of the Board of Directors or of the executive committee, delegate to assistants any portion of the duties herein assigned to him.

Unless expressly otherwise provided herein, each and every written notice required to be given by these by-laws shall be given by the general secretary by sending said notice to the member or members to whom notice is required to be sent, by United States mail, addressed to the postoffice address of such member or members as shown by the mailing list of the Association.

"Section VII. Vacancies.

In the event of the death, resignation or permanent disability of any officer, the vacancy thereby caused shall be filled by the Board of Directors.

"Section VIII. Bonds.

All officers or employees handling money of the Association shall be bonded in such amount as may be determined by the Board of Directors or Executive Committee. The expense of furnishing such bonds shall be paid by the Association.

Article 4 has been amended. It is suggested that it be amended to read as follows:

There shall be an Executive Committee to be composed of ten members. The Board of Directors shall elect annually from among its own members eight members of the Executive Committee. The President of the Association and the person whose term of office as President has last expired shall also be members of the Executive Committee."

Does that meet your point, Mr. McCoy?

MR. MCCOY:—That is satisfactory. I thank you.

MR. BUTLER. (Reading):—

"Section 2. Meetings.

Meetings of the Executive Committee shall be held from time to time upon reasonable notice given by the President or General Secretary.

"Section III. Quorum.

A majority of the members of the Executive Committee shall be required to constitute a quorum.

ARTICLE V. CORPORATE SEAL.

"The Association shall have a corporate seal bearing the words 'National Coal Association—Corporate Seal.' The seal which is impressed on this page is adopted as the seal of the corporation.

ARTICLE VI. FISCAL YEAR.

The fiscal year of the corporation shall end on the 31st day of March in each year.

There is an amendment to Article VII. It is suggested that Article VII read as follows:

"The members may make, alter, amend or repeal the By-laws of the Association at any regular meeting, or at any special meeting provided written notice of the language and nature of the proposed amendment is given to each member not less than thirty days preceding the special meeting of members at which the proposed amendment is to be acted upon."

(Reading.)

ARTICLE VIII. ORDER OF BUSINESS.

"Section I. Order of Business.

The following shall be the regular order of business at all meetings of the Association, Board of Directors or Executive Committee:

1. Roll call.
2. Reports of officers.
3. Reports of standing committees.
4. Reports of special committees.
5. Consideration of and action upon official program of the meeting.
6. General business.
7. Elections.

"Section II. Rules.

Robert's Rules of Order shall govern the deliberations of all the meetings of the Members, Board of Directors and Executive Committee."

THE CHAIRMAN:—It looks as if the by-laws had been adopted except one clause.

MR. GUTHRIE:—Is the report of the Credentials Committee ready?

THE CHAIRMAN:—It is ready now.

MR. BARKER:—There are three associations in whose records a discrepancy is found, as follows: Logan Coal Operators, Northeast Kentucky and the Somerset County Coal Operators' Association.

As I told you, the records are not complete, and we have had to check up with a number of these men as they were called to the office. We could not call this whole convention in there and check them up. We were in process of doing that when the motion was made by Mr. Guthrie that clamped down on the whole situation. Since then, three men have come to us with this sort of presentation: "Take our situation (The Logan Coal Operators' Association); you have us down for 49 members, yet

we have paid for 86. We want 86 votes or our money back." That was considered sufficiently strong to bring to you and ask you to decide this matter for us. The situation is identical in each of the three cases mentioned.

Our records are not complete. We could only get this information by asking how many companies they have represented in their association. We got them all except these three. These people have paid their money and they have this number of members in their Association and they feel they are entitled to those votes or have their money back.

A VOICE:—We cannot give them any money back.

MR. GALLAGHER:—It was stated this morning that this room is to be used at eight o'clock. It is now quarter after six, and that does not give us much time in which to get washed, eat and get back and attend the motion picture show.

I was going to suggest that we give the Committee on Credentials until 9.30 to-morrow morning in which to get these matters straightened out.

MR. BARKER:—We cannot do it with the action that stands before the house now. Action has been taken closing the door to these men. The committee has asked for a recommendation from the body. Shall we allow this Association 49 Votes or 86?

MR. GALLAGHER:—As I understood it, if you brought in a report before there was any business done, that that part of the report should be adopted.

MR. GUTHRIE:—Is the committee ready to make an amended report?

THE CHAIRMAN:—Yes.

MR. GUTHRIE:—I move the adoption of the amended report of the Committee on Credentials.

THE CHAIRMAN:—Those in favor of adopting the recommendation of the Committee on Credentials, as just read by Mr. Barker, will signify it by saying aye and those opposed no. It is adopted.

MR. GALLAGHER:—I move we adjourn until to-morrow morning at 9.30.

(The motion was carried and the Convention thereupon adjourned until to-morrow, Wednesday, May 29, 1918, at 9.30 o'clock a. m.)

SECOND DAY, MAY 29

MORNING SESSION.

The Convention reconvened, pursuant to the adjournment of yesterday, at 10.30 o'clock A. M., Mr. W. K. Field, the President of the Association, presiding.

THE CHAIRMAN:—Gentlemen, we are advised by counsel, and as you know we are about to form a new organization, and if there is no objection from the delegates, we will receive the reports of the committees after the new Association is formed, the same as we would have done had the old Association been in existence. Is there any objection to that? There does not seem to be and we will proceed that way.

MR. GUTHRIE:—I am requested by the counsel to offer the following resolution:

FORMAL ORGANIZATION.

Resolved, That the action of the Officers and Board of Directors of this Association in causing to be organized the National Coal Association, a corporation under the laws of the State of Delaware, for the purpose among other things of succeeding to the business and carrying on of the objects of this Association, be and the same is hereby ratified and approved; and further,

Resolved, That the officers of this Association be and they are hereby authorized and directed to sell, set over, transfer and assign unto the said National Coal Association, a corporation organized and existing under and by virtue of the laws of the State of Delaware, all of the assets of this Association, including cash on hand, bills, accounts, assessments and instalments thereof due and receivable, office furniture and fixtures, and all other assets of every kind and description, upon receiving from the said National Coal Association, a corporation of the State of Delaware a duly authenticated copy of a resolution passed by its members or board of directors assuming and agreeing to pay all of the liabilities of every kind and nature heretofore created by or on behalf of this Association, and be it further

Resolved, That the affairs of the National Coal Association, a voluntary Association, be immediately wound up, and that it cease doing business, and that said Association be and it is, upon adjournment of this meeting, hereby dissolved.

THE CHAIRMAN:—Is there a second to that motion?

(Motion seconded.)

THE CHAIRMAN:—Gentlemen, you have heard the motion. Are you ready for the question?

(Question called for.)

All those in favor of the resolution, please say aye. Contrary? Resolution is carried unanimously.

MR. BOYD:—Mr. Chairman, I want to offer this resolution, which I think should have gone ahead of the other one. It is:

Ratify Acts of Officers.

Resolved, That the acts and doings of the officers, Board of Directors and committees of the National Coal Association, a voluntary association, be and they are hereby in all things fully ratified, confirmed and approved.

(Motion seconded.)

THE CHAIRMAN:—Are you ready for the question, gentlemen?

(Question called for.)

All those in favor of the resolution will say aye. Contrary? It is unanimously carried.

MR. BUTLER:—Mr. Chairman, if it is in order, I move that the meeting of the National Coal Association, a voluntary coal association, do now adjourn.

THE CHAIRMAN:—That is in order. Is there a second to that motion?

(Motion seconded.)

All those in favor of the motion will please say aye. Contrary? Motion is carried.

Mr. Field, Chairman.

MR. GUTHRIE:—Mr. Chairman, I suggest that we now go into a meeting of the National Coal Association, a corporation, and I nominate Mr. W. K. Field to act as temporary chairman of this meeting.

(Motion seconded.)

Are there any more nominations?

(Question called for.)

All those in favor will signify it by saying aye. Contrary? Motion unanimously carried.

MR. FIELD:—Thank you.

MR. GUTHRIE:—Gentlemen, I now nominate J. D. A. Morrow to act as temporary Secretary of this meeting.

The motion was duly seconded.

MR. GUTHRIE:—Are there any remarks? If not, those in favor will signify by saying Aye.

The motion was unanimously carried.

THE CHAIRMAN:—Now, gentlemen, you have all been elected members, and if there is no objection, the Chair will rule that we adopt the basis of voting on the same plan as we employed here yesterday, the Credentials showing the number of votes to which each person is entitled the same as we did yesterday, as adopted by the report of the Credentials Committee. There seems to be no objection.

When we adjourned last night the question was on the adoption of the Charter and the By-laws, all of which had been adopted except two clauses, if I remember. That is before you now.

MR. REESE:—Mr. President, for my own information I would like to ask if the Charter that we were discussing yesterday is the Charter already issued, or is it a proposed charter?

THE CHAIRMAN:—Mr. Reese, for your information, I would state that the Charter is already issued, because we had to do that before we could form this Association, but it is provided that you can change the charter, and the question before the house as I understand it, is whether or not on motion of Mr. Brewster, the following be stricken from the Charter:

“The By-laws may provide for additional votes based on the volume of tonnage produced by individual members and by members of organization members, and for this purpose the volume of tonnage so produced may be considered in units of not less than 500,000 tons.”

We had quite a lengthy argument yesterday. If you are ready for the question, we will proceed to vote on the basis of the Credentials Committee report.

(Cries of Question!)

THE CHAIRMAN:—If there is no objection, we will proceed then to vote on that motion.

Mr. Morrow thereupon proceeded to call the roll.

Votes in the Affirmative.

	Votes
Brazil Block Coal Producers.....	9
Central Illinois.....	36
Central Ohio.....	23
Central West Virginia.....	105
George's Creek.....	49
Coal Trade Bureau.....	15

	Votes
Fifth and Ninth District.....	7
Franklin County.....	11
Indiana Coal Trade.....	43
Iowa Coal Operators.....	86
Knox County.....	7
Northern Illinois.....	3
Northwestern Pennsylvania.....	60
Somerset County.....	24-29
Southern Indiana.....	30
Southern Wyoming.....	8
Southwestern Interstate.....	155
Washington Coal Producers.....	24
West Kentucky Conservation Ass'n.....	43
Williamson County Operators' Ass'n.....	3
Central Pennsylvania Coal Producers.....	246

Votes in the Negative.

Grafton Coal Operators.....	8
Harlan County	27
Hazard Coal	30
Kanawha Coal Operators.....	59
Logan Coal Operators.....	49-86
Middle Tennessee	9
New River	43
Northeast Kentucky	47-79
Operators' Association Thick Vein Freeport Seam.....	1
Operators' Association Williamson Field.....	34
Pittsburgh Coal Producers.....	40
Pittsburgh Vein	30
Pocahontas	44
Southern Appalachian	119
Southern Ohio	75
Southwest Virginia	33
Tri-State Coal Stripping.....	15
Tug River	33
Upper Potomac	6
Utah Coal Producers.....	4
Winding Gulf.....	39

Individual Members.

Votes in the Affirmative.

Consolidated Coal Company of Saginaw.....	1
Dering Mines Company.....	1
Miami Coal Company.....	1
Saline County Coal Company.....	1

Votes in the Negative.

	Votes
Albuquerque & Cerrillos Coal Company.....	1
Astec Coal Mining Company	1
Cabin Creek Consolidated Coal Company	1
Carbon Fuel Company	1
Gibson Lumber & Fuel Company	1
Juanita Coal & Coke Company.....	1
Minnequa Coal Company	1
National Fuel Company	1
Oakdale Coal Company	1
Phelps-Dodge Corporation	1
Rugby Fuel Company	1
St. Louis, Rocky Mountain & Pacific Company	1
Sunnyside Coal Mining Company.....	1
Union Coal & Coke Company.....	1
Victor-American Fuel Company.....	1

Not Voting.

Pickands, Mather & Company.....	1
Cambridge Collieries Company.....	1
Herminie Coal Company.....	1
Loyal Hanna Coal & Coke.....	1
Roden Coal Company.....	1
R. B. Stewart	1

MESSAGE TO MINERS.

THE CHAIRMAN:—I desire to read the following telegram for the information of the Convention:

PHILADELPHIA, PA., May 28, 1918.

OFFICIAL BUSINESS.

COPY OF TELEGRAM SENT TO:

James Mathews, President United Mine Workers of America, Shenandoah, Pa.; Dempsey, President United Mine Workers of America, Scranton, Pa.; Kennedy, President United Mine Workers of America, Hazleton, Pa.

• This message was sent to Frank J. Hayes, President:

“Would it be possible to have miners work on Memorial Day? The miners have evidenced such consistent patriotism that I am sure they would wish to help the acute anthracite shortage by the production of coal on this holiday. One day’s production will keep thousands from suffering next winter. Signed Potter.”

Following reply received: "Message just received. Approve of miners working Memorial Day. Advise you get in touch with our district presidents in Pennsylvania. Signed Frank J. Hayes. May we count on your patriotic co-operation."

WILLIAM POTTER,
FEDERAL FUEL ADMINISTRATOR FOR PENNSYLVANIA.

CHANGE DIRECTORS NOMINATED.

MR. TAYLOR:—I want to ask for advice from our counsel. In making up our report yesterday, as the Committee on Nominations and Elections, which report has not yet been read, the Committee finds it will be necessary to change two names of directors, and my reason for rising at this time is, before final action is taken on this vote, to learn whether we have closed the matter so that the report cannot be acted on, or whether it should be left open until the report is read, before taking action.

The representation on the floor may conflict with the report of the committee, and I wanted to know from our counsel whether we had better vote before we hear the report or wait until it is read.

THE CHAIRMAN:—It was decided that the reports of committees should be received by the new Association in the same manner as in the old Association, and if there is any change, you are at liberty to make it.

MR. TAYLOR:—If the vote changes your constitution, it would be possible to adopt that report as amended.

MR. BUTLER:—The vote now taken is as to the voting power in the Association, and has nothing whatever to do with the number of directors. In a moment the other provisions in the charter will be open for discussion, and as soon as the result of this ballot is announced, the question of the number of directors can be considered.

MR. MORROW:—The result of the vote just taken is as follows: Votes in favor of the motion, 996; opposed, 807. The motion is carried. (Applause.)

MR. WALSH:—I move you that the vote just taken be made unanimous.

(Motion seconded.)

THE CHAIRMAN:—Those of you who are in favor of the motion to make it unanimous will please say aye. Contrary? It is unanimous.

MODE OF CHANGING BY-LAWS.

MR. HAMILTON:—Mr. Chairman, at the afternoon session of the Convention yesterday it was decided to limit the powers of the directors to amend the by-laws to a time and place of meeting. It will be necessary to offer a resolution putting that in legal form, and I therefore present for your consideration this resolution:

Resolved, That due action be taken amending the certificate of incorporation by striking therefrom the following provision, to wit: "The Board of Directors may make and offer by-laws, appoint agents, and do any and all other things the members themselves might or could do under the provisions of the laws authorizing the corporation; but these provisions shall not be construed to authorize or permit the Board of Directors, directly or indirectly, to impair or diminish the right of the members to elect directors as herein provided."

Here is what we want to substitute:

"The members of the corporation reserve to themselves the right to make and alter the By-laws except that the Board of Directors may amend the By-laws with reference to the time and place of holding the annual meetings of the corporation.

I think that is perfectly clear to you gentlemen.

(Motion seconded.)

THE CHAIRMAN:—Gentlemen, you have heard the motion and I think you all understand the substitution that is intended. Those of you in favor of the motion will say aye. (Ayes.) Contrary? (One no.) Motion is carried.

MR. JOHNSON:—The matter of the Board of Directors: as provided for in the new Charter, the Committee on Nominations and Elections have made a report which will in some degree conflict with the present Charter as it provides for two additional directors. Therefore I move you, Mr. Chairman, that the Board of Directors of council be authorized to change the Charter in conformity with the report of the Committee on Nominations.

(Motion seconded.)

THE CHAIRMAN:—Mr. Johnson, I did not catch the last part of your resolution. Will you kindly repeat it.

MR. JOHNSON:—I would say that the present charter provides for 39 directors and distributed in accordance with the charter as now provided. The Committee on Nominations have reported for two additional directors, and I therefore move that the Board of Directors of Council be authorized to change the charter to conform to the report of the Committee on Nominations and Elections.

THE CHAIRMAN:—You will have to go a little ahead of the story, gentlemen, in order to coincide with the views of Mr. Johnson. The Committee on Election of Directors have this suggestion, and I think it would be proper to vote on it now.

We further recommend that the directors be increased by two (2) and that the State of Kansas be given a director on account of its tonnage, both strip and mining, and the geographical location, and nominate Ira Clemens to fill this position. And that the Tri-State Stripping Association be given a representative on the directory, and we nominate W. J. Sampson to fill this position.

I think it is very proper to put that before the members as to whether or not it is agreeable that the directors be increased by two. Is there a second to Mr. Johnson's motion?

MR. WALSH:—I second the motion.

Suggestion From Pennsylvania.

MR. BOLTON:—Mr. Chairman, at this point it might be wise to put before the Convention a suggestion that comes from the Pennsylvania delegation. They desire that the Charter shall not contain an arbitrary division of the State of Pennsylvania group, bituminous and anthracite. They desire to consolidate the grouping so that instead of it reading, "Pennsylvania Bituminous 4" and "Pennsylvania Anthracite 2," it shall read, Pennsylvania, six directors.

If we do not make that change this organization will start off with an incomplete Board of Directors as fixed in the Charter, and the associations here present think that it should be left to the state as a whole to arrange the representation allotted them by the Charter in such manner as the associations may agree. The amendment accomplishing that purpose that is offered is as follows—instead of the present printed provision:

"Pennsylvania, six directors, divided between bituminous and anthracite districts as the State group agrees."

I offer that as an amendment to the—

THE CHAIRMAN:—You understand, do you, that when these directors were grouped in the different States that as to the State of Pennsylvania it was decided it would only be entitled to four votes for the bituminous, and if the anthracite came in as an organization we reserved the place for them to be represented by two directors. But in case they did not come in, it was the sense of the old Board of Directors that the State of Pennsylvania was only entitled to four votes in that case. So I think it would be well if we left it the way it is. That is only

a suggestion from the Chairman, but that is the way it was formed originally.

MR. BOLTON:—The Pennsylvania delegation, upon consideration of the whole matter, thought that they were entitled to this consolidation. It starts off with an incomplete organization, and it is suggested that it leaves the possibility of an inconsiderable organization of the anthracite region acquiring the right to nominate two directors out of all proportion to the size of the organization of the individual membership that may offer itself for membership in this Association. There might be one, two or three companies there entitled to take off two directors. The State of Pennsylvania on that proposition asks the right of home rule—let the charter give them freedom to arrange their own internal representation then. Four large associations are grouped here as one, and they are required and want to arrange between themselves how they will divide their representation. Now, then, wipe out the only provision in the charter in that respect and they will all be on an equality.

MR. WALSH:—In view of the explanation made by Mr. Bolton I second the resolution.

THE CHAIRMAN:—As I understand the resolution, Mr. Bolton, you want the directors of the State of Pennsylvania to be arbitrarily placed at six instead of four.

MR. BOLTON:—No; to consolidate—to consolidate the present two groupings into one. That is the present proposition, and we added to Mr. Johnson's motion.

THE CHAIRMAN:—Mr. Walsh, you second it?

MR. WALSH:—Yes, sir.

THE CHAIRMAN:—That is an amendment.

Those of you in favor of the motion will please say aye. (Voices.) Those opposed? (Voices.) Those opposed will please rise. (Members rise.) Gentlemen, I am afraid we will have to have a roll call on that, so you will please be seated. Proceed with the roll call, please.

MR. MORROW:—Brazil Block Coal Producers: nine votes (in the affirmative).

MR. LANG:—Mr. Chairman, I rise to a point of order. That motion is not fully understood. We understand this situation; the bituminous operators of Pennsylvania are entitled to four directors if the anthracite companies are entitled to two. Now, we understand that the anthracite are not in, and it would not be justice to the balance of the operators to give Pennsylvania six if the anthracite is not in. Now, until the anthracite do come in, they are certainly not entitled to six votes. There-

fore, I cannot see how you can consolidate a situation that is not justified by the anthracite operators.

THE CHAIRMAN:—Mr. Lang, you have got the understanding and we are voting on that very thing.

MR. REESE:—Mr. Chairman, I rise to a point of order. This motion is out of order for the reason that Mr. Johnson's motion has not been disposed of.

THE CHAIRMAN:—Mr. Reese, we voted on Mr. Johnson's motion and it was carried.

MR. REESE:—I beg your pardon.

MR. JOHNSON:—This was offered as an amendment and my motion is still pending. I think this motion ought to be disposed of.

THE CHAIRMAN:—Your point is well taken. I had supposed the motion had been put.

MR. ROEHRIG:—Representing the Northeast Kentucky operators, we rise to ask for the appointment of an extra delegate on this board to represent us.

THE CHAIRMAN:—That is out of order until this motion is put. Then you can make that motion.

MR. ROEHRIG:—I offer that as an amendment to that motion—to make it three instead of two. We have no resident members or resident directorship from eastern Kentucky, as I understand it. The director at large is a non-resident, and the director elected for east Kentucky is a resident outside the State.

(Cries of question.)

THE CHAIRMAN:—What is your motion again, Mr. Johnson?

MR. JOHNSON:—Mr. Chairman, the motion is based on the recommendation of the Committee on Nominations, who have had this matter up for consideration and who have made their report to the Convention. This motion merely conforms to the report made by the committee. After that is over, then we can take up these other matters and dispose of them in accordance with their merits.

(Cries of question.)

MR. JOHNSON:—Question on the motion.

MR. BOLTON:—My proposition was offered as an amendment to the motion of Mr. Johnson, distinctly coupling this motion with that proposition, as an amendment to Mr. Johnson's motion.

THE CHAIRMAN:—I think you had better vote on this one at a time. Let us find out whether Mr. Johnson's motion is right and we will get this thing down.

(Cries of "Question.")

THE CHAIRMAN:—Those in favor of Mr. Johnson's motion will please say aye. (Voices.) To the contrary? (None.) The motion is unanimously carried.

Now, Mr. Bolton, your motion is before the house and the roll will be called.

MR. MORROW:—Brazil Block Coal Producers: nine votes.

MR. REESE:—What is this roll call for, Mr. Secretary?

MR. MORROW:—This is to determine whether the directorship of Pennsylvania is to be six or four at the present time.

MR. BOLTON:—That is not an adequate statement of the proposition.

MR. MORROW:—Please put it correctly, then, Mr. Bolton.

MR. BOLTON:—The proposition is whether or not the Pennsylvania grouping shall be consolidated in the charter. The charter is a matter that will govern for a long time and it ought to be right. We ask the right to govern our own internal affairs as a whole instead of adopting the provision for dividing us. That is the proposition that is embodied in the motion now before the house.

MR. JOHNSON:—Mr. Chairman, I would like to ask the gentleman a question. Do I understand that your motion contemplates the consolidation of the groupings as now provided, and giving Pennsylvania six to start with?

MR. BOLTON:—It is given six now, but is divided into two parts. We ask for one six (6) as a whole.

MR. JOHNSON:—Mr. Chairman, it occurs to me that the proposition carries with it the consolidation of two groups of delegates, one of which is inoperative until the Pennsylvania Anthracite operators come into the Association. It occurs to me it would be entirely proper for that consolidation to come in.

MR. REESE:—Mr. Chairman, it seems to me that we should recognize that the anthracite industry is separate and distinct from the bituminous and that these two directors should be left blank for the anthracite when they come to take them. It seems to me that we ought not to adopt this motion to give the bituminous six in case the anthracite do not come in. I think we should vote the motion down. (Applause.)

THE CHAIRMAN:—You have the proper understanding. Are you ready for the question. Proceed with the roll call.

MR. MORROW:—Brazil Block Coal Producers, 9 votes. (Representative votes no.)

Central Illinois, 36 votes. (Representative votes no.)

MR. BOLTON:—Then I think the Pennsylvania people will want to withdraw the motion. They want fair action on it and

do not want to waste the time of the convention. We will not press the motion. (Applause.)

MR. GUTHRIE:—Mr. Chairman, I move that the certificate of incorporation of the National Coal Association as amended by this meeting, be adopted as a whole.

MR. WALSH:—I second the motion.

CHARTER ADOPTED.

THE CHAIRMAN:—Are you ready for the question, gentlemen?

(Cries of Question.)

THE CHAIRMAN:—Those of you in favor of adopting the Charter as it now reads. (Voices.) To the contrary. (One voice.) The Charter is adopted.

THE CHAIRMAN:—What clause in the By-laws would coincide with that?

MR. JOHNSON:—Article 2, Section 1 of the By-laws should be amended where it provides for but 37 directors, and it should be changed to read 39 in lieu thereof.

THE CHAIRMAN:—To conform to the charter?

MR. JOHNSON:—To conform with the charter, and I make a motion to that effect.

Motion seconded.

MR. ROEHRIG:—I still have a motion before this house which I made calling for a directorate of forty, and I ask for a vote on that.

THE CHAIRMAN:—The charter has been adopted. Was there a second to Mr. Johnson's motion?

Motion seconded and calls for question!

You heard Mr. Johnson's remarks, and while I believe that the adoption of the charter automatically changes the by-laws, we will take a vote on it just the same. All those in favor of the amending of the by-laws to conform with the charter will say Aye. Contrary? So ordered as the motion prevails.

MR. BUTLER:—The amendments that were read yesterday afternoon were Article 1, Section 3—Resignation.

It was amended on page 3, Article 2, Section 2, which gave the members the right to amend the by-laws only. Article 4, Section 1, making it ten members and having the retiring president a member—amended to that effect. Article 7 on amendments, was amended, taking the power to amend from the Board of Directors.

THE CHAIRMAN:—Now, gentlemen, you have heard all of

the changes in the by-laws. Are you ready to adopt them with these changes as a whole?

MR. REESE:—Was there a section providing for a tonnage vote that we did not act upon when the charter was voted on?

THE CHAIRMAN:—Mr. Reese, if you will bring that up at this time, our by-laws must conform to our charter. Your point is well taken. We will have a vote on that.

MR. BUTLER:—That will have to be stricken out, of course.

THE CHAIRMAN:—That will have to be stricken out, but we will take a vote on it to make the by-laws conform to the charter in regard to the method of voting. All those in favor will say aye. Contrary? Motion carried.

Now, Gentlemen, we are ready to pass the By-laws as a whole.

BY-LAWS ADOPTED.

MR. GUTHRIE:—Mr. Chairman, I move you that we adopt the By-laws suggested to conform with the By-laws of the National Coal Association, Inc., prepared by counsel and amended by this meeting in conformity with the Charter.

(Motion seconded.)

THE CHAIRMAN:—The motion has been duly made and seconded that the By-laws as amended be adopted by the National Coal Association. Those of you in favor will please say Aye. (Ayes.) Contrary? They are adopted.

Gentlemen, I want to introduce to you Mr. Joseph B. Dickson, Chairman of the Anthracite Committee of the United States Fuel Administration, who desires to address you for a few moments, or we desire to have him address us. (Applause.)

MR. DICKSON:—Mr. President and Gentlemen of the National Coal Association in Convention: Before presenting the statement which has been prepared regarding the probable production of anthracite coal for the present coal year, I wish to say that we hope to base our production on a maximum gross tonnage of 79,000,000 of tons, an increase we hope for the coming whole year of about 5 per cent. greater than what we have produced in the past.

MR. JOSEPH B. DICKSON.

MR. JOSEPH B. DICKSON (Chairman of Anthracite Committee United States Fuel Administration):

Distribution of anthracite under prevailing conditions is a problem involving the comfort, welfare, and in large measure the health of half the American people. Also the nation's war requirements are involved.

Appreciating all this very keenly and with that deep sense of its responsibility and duties in the matter that recognition of such vital facts unavoidably creates, the Anthracite Committee of the U. S. Fuel Administration, after earnest study and conference with representatives of all interests most concerned, having before it as complete and as exact information, both as to production and consumption of anthracite, as it is possible to have at this time, deems it right and necessary to make public announcement of the program which has been determined upon as the best for working out a most difficult situation.

First, certain basic conditions must be correctly understood. They stand as stern facts. We are in war times. In consequence, anthracite and fuel of all kinds is in demand as never before. There are new demands of imperative kind for anthracite. At the same time the war, directly through the army draft and in less direct but even larger ways, has drawn down the anthracite mine-workers' army from 177,000 to now about 145,000 in number. There is going on a further reduction in the force, which, already down to a point where it restricts the production of coal, is most threatening.

A Probable Shortage.

The present coal year started with absolutely no carried over stocks of anthracite. Consequently the demands, to the utmost extent that they can be supplied, have got to be met out of the current production. With labor short, as it is, it will be difficult to get out materially more coal than the maximum amount which was shipped last year and which then proved to be insufficient to meet every need throughout the country.

The anthracite industry is working now with full knowledge that every ton of coal that can be produced between now and next spring will be needed. It recognizes an urgent necessity not only to get out the greatest amount of anthracite, but to exert every effort and to utilize every process to increase to the maximum the quantity which can be used in domestic consumption. To accomplish this, it is necessary to recover and carry into the product all coal that can be used in domestic service. It is highly important, and, under the circumstances necessary, if the American people are to have sufficient anthracite next winter, that the available labor power shall be increased both in volume and effectiveness.

As the problem presents it is actually a case of cutting the coat to suit the cloth. It is also a matter of give and take between anthracite and bituminous. The war and its requirements

compels this, and demands conservation and sacrifices in use of coal as they are being made by the American people now in every way.

It should be understood everywhere and by all that anthracite must be used carefully, that its waste or needless use by some will entail a shortage and suffering for others.

Co-operative Work.

The Anthracite Committee has gone over the whole problem of fuel supply and distribution in conference with the United States Fuel Administrator. Those in charge of the bituminous distribution, who have an equally difficult problem, have also been consulted. Both must be worked out together to best uphold the public interest. To meet the war needs compels use of very considerable anthracite in place of bituminous. This has been arranged through undertakings to substitute bituminous wherever it can be used.

Upon such basis of co-operation, which entails not only readjustments in the country's fuel supply as between sections and uses, but a new balance as between anthracite and bituminous, domestic sizes of anthracite will be distributed during the coal year, which runs until April 1st next. This distribution and arrangement has the approval of Dr. Garfield, United States Fuel Administrator. The following allotments will be made under it:

1. It is closely figured that a total of 54,345,783 tons of anthracite of domestic sizes will be available for distribution to consumers during the period. Such amount will be an increase of 2,668,323 tons, or more than 5 per cent. over the actual distribution for the coal year of 1916-1917.

2. Distribution to New England and Atlantic States will be very materially increased to meet the greater requirements of their largely expanded population. It is to be noted that the greater needs in these States for domestic fuel are not in full proportion to the larger population, for the reason that the average number of people per house, particularly among industrial workers has increased so that the additional houses to be warmed are not as many as might be expected.

3. Government requisitions for anthracite to be supplied the army and navy, and to war industries and utilities which require it, will be fully met.

4. To make possible such necessary increased distribution upon Government orders and through those sections of the country where the people are dependent upon anthracite for heating and cooking there is no alternative but to curtail to other

States and to bar anthracite entirely from many more where it has been used but in which bituminous and other fuel can be procured and substituted.

Comparing with the 1916 and 1917 coal year the above works out as follows:

Increased production.....	2,668,323	tons
Curtailment in distribution.....	2,202,288	“
Gained from barred sections.....	765,931	“
Total gained	5,636,542	“
Less army and navy.....	600,000	“

New balance available..... 5,036,542

Such available freed balance is allotted to increase the distribution of domestic anthracite among the new England and Atlantic States. It enables an increase of 1,497,621 tons, or 17 per cent. in the total amount to go to New England, and of 3,538,921 tons, or 13 per cent. in the amount for the Atlantic States.

Fuel Administrators of the six New England States figure the probable demand at 10,699,400 tons for domestic requirements. The allotment made by the Anthracite Committee is 10,331,000 tons of domestic sizes for all purposes. Fuel Administrators of the Atlantic States—New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia and the District of Columbia—asked for a total of 33,413,621 tons for domestic requirements. To the Atlantic States the allotments by the committee total 31,417,154 tons of domestic sizes for all purposes.

Considerations In Allotment.

Such increased allotments to New England and the Atlantic States are made with regard to their necessities—the larger population which the war has concentrated in such sections, their essential dependence upon anthracite, and the virtual impossibility of getting bituminous for their needs. Shipments to the full amounts of the allotments are dependent upon the expected output of domestic sizes being reached.

It must be understood that these allotments to New England and the Atlantic States represent absolutely the maximum amounts which can be given without grave injustice to people elsewhere in the United States and Canada who require anthracite in substantial amounts. The Anthracite Committee states further that should it be possible to gain any anthracite out of the nearly 2,500,000 tons used by the railroads for fuel, or to expand the total production above the 54,345,783 tons of domestic coal

estimated as the output for the year, such gained coal will be distributed to increase the allotments as now fixed for the central and northwest States, which, as it stands, are called upon to make large sacrifice from their accustomed pre-war supply of anthracite.

Compared with the actual distribution for the coal year 1916-1917 both by State and groups of States, the allotment of domestic anthracite for all purposes for the current coal year as made and now publicly announced by the Anthracite Committee is as follows:

	1916-1917 Distribution	Allotment 1918-19	Per Cent. Increase	Per Cent Decrease
New England				
Maine	556,683	660,000	18.56	
New Hampshire	314,945	375,000	19.07	
Vermont	316,850	330,000	4.15	
Massachusetts	5,027,993	5,689,000	13.15	
Rhode Island	664,008	800,300	20.53	
Connecticut	1,952,900	2,476,700	26.82	
Total New England....	8,833,379	10,331,000	16.95	
Atlantic States				
New York	14,169,809	15,855,300	11.89	
New Jersey	4,961,622	5,460,784	10.04	
Pennsylvania	6,815,650	8,059,700	18.25	
Delaware	223,503	245,853	10.00	
Maryland	933,889	1,027,317	10.00	
D. of C.	517,760	665,800	28.59	
Virginia	256,000	102,400		60.00
Total Atlantic States....	27,878,233	31,417,154	12.69	
Central States				
Ohio	585,626	246,250		57.95
Indiana	710,274	284,110		60.00
Illinois	2,215,122	1,750,585		20.97
Michigan	1,589,002	1,201,000		24.42
Total Central States....	5,100,024	3,481,945		31.73
Northwest				
Minnesota	1,071,532	990,000		7.61
Wisconsin	1,181,926	1,024,000		14.36
North Dakota	249,314	200,000		19.78
South Dakota	207,416	166,000		19.97
Total Northwest	2,710,188	2,380,000		12.18

	1916-1917 Distribution	Allotment 1918-19	Per Cent. Increase	Per Cent. Decrease
Trans. Mississippi				
Missouri	129,289			100.00
Kansas	15,907			100.00
Nebraska	130,273			100.00
Iowa	352,496			100.00
Total Trans. Mississippi	627,965			100.00..

RECAPITULATION

New England	9,833,379	10,331,000	16.95	
Atlantic States	27,878,233	31,417,154	12.69	
Central States	5,100,024	3,481,945		31.73
Northwest	2,710,188	2,380,000		12.18
Trans. Mississippi	627,965			100.00
Twenty-four States	137,966			100.00
R. R. Supply	2,481,754	2,481,754		
Canada	3,856,021	3,602,000		6.59
Miscellaneous Exports..	51,930	51,930		
Army and Navy Camps and Cantonments		600,000		
	51,677,460	54,345,783	5.16	

Co-operation Essential.

With this statement of the situation and announcement of the measures which will be pursued to meet it, the Anthracite Committee is conscious that the plan cannot be successful under the circumstances—labor shortage, consequent inability to much increase production of anthracite and unusual demands for it—unless there shall be earnest and active co-operation by all concerned. This means by state and local fuel administrations, dealers, and consumers, each and all of whom must help to see that anthracite is confined to its most essential uses and that in consumption it shall be conserved and made to go as far as possible.

Otherwise there will be a shortage of anthracite next winter which no human power can then supply. The anthracite industry and this committee can meet the big problem only with general support and co-operation. In other lines of business, in these abnormal times, no one expects to get all he wants and just when he wants it. There is to-day shortage of steel, of copper, of rubber, of wheat, of flour, of a hundred and one things. Anthracite is not an exception, but with due public consideration of the facts surrounding its supply and distribution, this committee believes that all actual needs for it can be supplied. (Applause.)

Explains Committee's Work.

MR. MORROW:—Mr. Chairman, I want to take a few minutes of your time this morning to make some explanations publicly in regard to the work of the Anthracite Committee which I know will be of interest to you gentlemen here as well as the public generally.

In the first place I wanted Mr. Dickson to make the statement to you gentlemen here because the deficiency of anthracite will have to be made up through an increased output of bituminous coal. That deficiency and the compensating increase is a part of the reason for the 85,000,000 tons increase of bituminous production which we say you gentlemen are called upon this year to make. The withdrawal of anthracite from the Central West and Southwest will require the taking of 5,000,000 of tons of bituminous coal over and above any amount of bituminous coal which has been used heretofore for that purpose. That burden is different in some of the different coal fields, and our various representatives will be informed specifically as to what it is, but to make it concrete, Illinois will be called upon for about 1,000,000 more tons of domestic bituminous coal than before; in Indiana and Ohio and Michigan other large tonnages of bituminous coal will have to go in in the place of anthracite. We realize perfectly well that that change will impose a definite inconvenience and even a hardship on the consumers of coal in that territory, but I want you gentlemen to understand, and the people generally to understand, that there is no escape at this time from that condition. It is not possible to get enough coal into this Eastern territory to take care of it on any—I would not say reasonable basis—but any basis that can be tolerated unless this change in anthracite distribution which has been outlined by this committee is made. It has been gone over thoroughly in Washington by the various managers of bituminous distribution and worked out with great care. The railroad administration has also been consulted in respect of it, and this allotment of anthracite goes.

I want to say a word about the work of the Anthracite Committee, and what it has done in the way of co-operating with the Fuel Administration. The Anthracite Committee is in control of the distribution of anthracite precisely as our other district representatives. Their instructions to anthracite operators to ship coal are imperative and must be obeyed. The distribution of anthracite within the several States is, of course, to be determined by the several State Fuel Administrators, but the Anthracite Committee will keep the coal moving to the various communities in the States, based on the tonnage those communities

received in 1916-17, unless modified by the State Fuel Administrators. This Committee has a record of the movement of 99.75 per cent. of anthracite into 12,000 communities. The anthracite operators have done that voluntarily and have borne the expense of it, and having that complete record, they can submit it to the various state administrators showing what tonnage of anthracite had moved into the various communities in the year 1916-17. So it gave to the State Fuel Administrators a measure of information not otherwise obtainable, as to the actual needs of anthracite in their communities a year ago, so as to enable them to make such changes as seemed desirable. That is the kind of co-operation that we have had from the anthracite operators. It is being matched by the same kind of co-operation from the bituminous operators.

Mr. Dickson has said that the solution of these problems necessarily involves the closest kind of co-operation between the two branches of the industry. I want it distinctly understood we are arranging to get that same kind of co-operation. There will not be a withdrawal of anthracite from any place unless we know there can be fairly certainly made a compensating substitution of bituminous coal.

The anthracite and bituminous operators, through the various departments of the Fuel Administration, are brought into the kind of harmony that is necessary, it seems to us, to take care of this situation.

I thank you. (Applause.)

DIRECTORS PROPOSED

THE CHAIRMAN:—The following is the report of the Committee on Nominations for the election of directors:

“We, the Committee on Nominations for the election of directors, recommend the following list of directors as selected by the membership in the several States:

State or Group.	No. of Directors.
Alabama	1 Erskine Ramsey
Arkansas, Oklahoma and Texas...	1 H. N. Taylor
Colorado and New Mexico.....	1 W. H. Huff
Illinois	3 { Thos. Brewster Geo. Reed Andrew Maloney
Indiana	1 A. M. Ogle
Iowa	1 F. M. Gray
Kansas and Missouri	1 F. W. Lukins

State or Group.	No. of Directors.	
East Kentucky	1	Alex. Bonnyman
West Kentucky	1	John J. Coyle
Maryland	1	J. H. Wheelwright
Michigan	1	R. M. Randall
Montana and North Wyoming....	1	W. J. Carney
Ohio	2	{ George H. Barker S. L. Robbins
Pennsylvania (Bituminous).....	4	{ J. C. Brydon A. R. Hamilton W. M. Henderson T. H. Watkins
Tennessee and Georgia	1	John L. Boyd
Utah and South Wyoming.....	1	P. J. Qualey
Virginia	1	C. E. Bockus
Washington	1	David Botting
West Virginia	3	{ C. H. Jenkins (F) Quin Morton (K) John J. Tierney (P)

The Committee further recommend that in addition to the members on the directorate selected by the membership in the several States eight (8) directorships at large be filled by the following gentlemen: Jas. P. Walsh and B. M. Clarke, Pennsylvania; A. A. Augustus, Ohio; T. B. Davis, Kentucky and West Virginia; R. H. Gross, West Virginia; Dr. F. C. Honnold, Illinois; Phillip Penna, Indiana; John P. Reese, Iowa, and the trans-Mississippi States.

We further recommend that the Directors be increased by two (2), and that the State of Kansas be given a Director on account of its tonnage, both strip and mining, and the geographical location, and nominate Ira Clemens to fill this position. And that the Tri-State Stripping Association be given a representative on the directorate, and we nominate W. J. Sampson to fill this position.

H. N. TAYLOR, *Chairman.*

G. C. WEITZELL.

W. M. HENDERSON.

H. C. ADAMS.

CALVIN HOLMES."

The matter is before you, gentlemen.

MR. GUTHRIE:—I move the adoption of the report of the Committee.

THE CHAIRMAN:—In other words, you move the election of the gentlemen whose names I have just read.

MR. GUTHRIE:—Yes.

THE CHAIRMAN:—The motion is on the adoption of the report of the Committee. Those in favor of the adoption of the report of the Committee will say "Aye," those opposed "No." The report is adopted.

MR. GUTHRIE:—I move that the vote of this body be cast unanimously for the directors as specified in the report of the Committee on Nominations just adopted.

THE CHAIRMAN:—You have heard the motion; those in favor will please signify by saying "Aye"; those opposed "No." The motion is carried.

Special Committee Calls.

THE CHAIRMAN:—All members of the Tug River Coal Operators' Association of West Virginia and Clinch Valley Field of Virginia will please meet for conference in the Green Room immediately after Convention recesses for noon.

The following Committee known as the Governor Cornwell Conference will meet for a few minutes immediately after this session:

E. B. Chase,
Isaac T. Mann,
F. W. Wilshire,
J. A. Renahan,
T. B. Davis,
W. M. Puckett,
John Laing,
G. H. Caperton,
T. E. Houston,
C. H. Jenkins,
R. B. Isner,
Lemuel Burroughs.

MR. GUTHRIE:—I move that this meeting now adjourn to 2:30.

THE CHAIRMAN:—Will you include with that motion the request that the directors get together and elect their officers and report here?

MR. GUTHRIE:—I am not a Director.

MR. REESE:—Is the Resolutions Committee ready to report? I would like to hear their report.

THE CHAIRMAN:—We will have their report if you take

some action on this newly elected Directors' Board, if they will get together and get their report ready to submit.

MR. GUTHRIE:—Mr. Chairman, I see by consulting the program that the Committee on Resolutions is to report this afternoon.

THE CHAIRMAN:—That is all right, Mr. Guthrie; that is what we intend to do.

Will a recess to two-thirty give the Directors time enough to elect their officers and report here?

(Cries of "Yes.")

Well, gentlemen, we will recess until two-thirty, and at two-thirty we will expect to announce the election of officers of the new Association, such announcement being by the Board of Directors. The recess now is until two-thirty.

RECESS.

AFTERNOON SESSION.

THE CHAIRMAN :—The meeting will please be in order.

Gentlemen, I have the extreme pleasure of introducing to you your new President, Mr. J. H. Wheelwright. (Prolonged applause.)

THE PRESIDENT'S ADDRESS.

MR. WHEELWRIGHT :—Gentlemen of the National Coal Association: My friend, Mr. Field, and myself have worked shoulder to shoulder and side by side since the conception of the National Fuel Association; and because he is retiring and I am now taking the position that he occupied and fulfilled with such ability and patriotism does not separate from the National Coal Association or change in one whit the policy that he has carried out, and he will be by my side during the coming year to help me. (Applause.)

When we started the National Coal Association, we had one platform, and I am sure, gentlemen, that platform prevails to-day and will prevail as long as the National Coal Association is in existence, and that was: That we were behind the United States Fuel Administration, first, last and all the time. (Applause.)

As the soldier looks to the War Department, so must we look to the Fuel Administration without criticism, obeying their orders and carrying out the absolute necessities of the Government which is producing coal. There is no regiment in the front that has a greater duty to perform than the coal operators who are assembled here to-day representing what they do, the necessity of necessities, and without our co-operation, how can this magnificent bridge that has been built by the Shipping Board consisting of concrete, steel and wood,—which is ships that for three thousand miles are carrying our soldiers and supplies across to the battle line, how can they exist unless each one of us in our hearts decide to-day that we will produce more coal?

The Operators' Task.

Mr. Morrow stated yesterday in his speech that it was absolutely necessary to produce, anthracite and bituminous, 735,000,000 tons of coal. You are all practical men, you know what that means. It means that when you go home and to the men, your associates, whom you have left at home, you must tell them, "To-day is the day we start." We have got to produce coal, otherwise, gentlemen, our properties will be taken over by the Government and we will suffer the blame because we have not been patriotic as far as the world is concerned. I know to-day and I have seen meeting after meeting of coal men and I have yet to find one single solitary instance where they have not been patriotic to the very limit. It is just one thought that I want to impress, that your officers and your Board of Directors will try to perform their duty for the coal operators of the United States without one single, solitary selfish thought, without one single solitary sectional proposition, and the only thing that stands above our duty to you, which is not that, because it is our duty to our country and that is your duty, is our support to the United States Government.

Gentlemen, I thank you. (Prolonged applause.)

THE CHAIRMAN:—We will have the report of Directors on Elections.

REPORT OF THE RESOLUTIONS COMMITTEE.

MR. LEWIS:—Mr. Chairman, the Committee on Resolutions prepared a report, and it is not very lengthy. We have three resolutions and we will read them in their order in order that you may take action on each one of them separately.

"RESOLVED, That we, the coal mine owners of the United States, assembled as the National Coal Association, do pledge and consecrate ourselves, our plants and our organizations to the cause of an adequate production of coal and to subordinate all other issues thereto. Be it further

RESOLVED, That we do urge the people to unite with us in this singleness of purpose and to assist us in all those practical ways to make this effort a success.

RESOLVED, That we, the representatives of the coal mining industry of the United States, in National Convention assembled, pledge our continued support to the United States Fuel Administrator in his effort to increase the production of coal, and we further pledge our energies, and our all to aid the President of

the United States to crush military despotism and make the world a safe place in which to live." (Applause.)

THE CHAIRMAN:—Gentlemen, you have heard the report of the Committee on Resolutions. All in favor of adopting that will signify by saying "aye;" opposed, "no." It is unanimously adopted.

Would Create Sentiment.

MR. LEWIS (Reading):—"The importance of the coal industry to the progress of the industrial and commercial life of the nation is generally conceded. There is an unlimited field of opportunity for the National Coal Association to create sentiment in favor of and to formulate plans for a more effective conservation of the fuel resources of the United States and to reduce to a minimum the hazard of the coal mining industry.

It is a duty the operators of the coal mines owe to themselves and to the nation to keep the people informed on the subject of coal production and the many problems which are related to the coal industry. We are of the opinion this work can best be done through the medium of a National Coal Association representing the coal industry of the country.

It is therefore RESOLVED, That this Convention authorize and instruct our Secretary to extend a cordial and urgent invitation to the anthracite operators to become affiliated and be members of the National Coal Association."

THE PRESIDENT:—Gentlemen, you have heard the report. All in favor will signify it by saying aye. Contrary, no. Unanimously carried.

MR. LEWIS:—"FURTHER, BE IT RESOLVED, That the services of W. K. Field, President, and J. D. A. Morrow, Secretary, together with the supplementary and energetic work of the Board of Directors is hereby acknowledged, and that we pledge ourselves to an endeavor to bring to the membership of the National Coal Operators' Association every coal operator of the United States.

These resolutions are signed on behalf of the Committee by:

D. C. BOTTING, *Chairman*.

E. E. WHITE.

T. H. WATKINS.

ARTHUR HALE.

W. G. DUNCAN.

T. L. LEWIS, *Secretary*.

Philadelphia, Pa., May 28, 1918." (Applause.)

Supplements Resolutions.

MR. WATKINS:—Mr. Chairman, one moment. My name is mentioned on that Committee, and I acted on it. But I want to say the whole resolution expressed in words does not fully express the obligations that the Association and the operators of the United States owe to the originators, the pioneers and the guiding spirits that are mentioned in that resolution, without a few personal words which I wish to express.

I happened to be one of those who were called by duty to be in Washington a great deal. I was not one of the Board of Directors. I saw men come there from various sections of the United States, sacrificing their time, giving their ability, to build up and co-operate and do everything to put the coal people of the United States in a proper light before the public of the United States in a spirit of co-operation to win this war; and the resolution expresses just in a few cold words the thought, but I want to supplement it because I know from personal experience what a lot this Association owes to these men and it is an obligation that is very hard to repay.

Mr. Field, our retiring President, guided, through his ability and temperament, the coal people of the United States into the situation that they are to-day, gradually growing respect for the coal men, and that they are contributing and will still continue further contributing to the success of winning this war. (Applause.) I move the adoption of the resolution.

MR. LEWIS:—I second the motion.

VOICES:—"By standing vote."

THE CHAIRMAN:—You have heard the motion, gentlemen. All those in favor will manifest it by saying Aye. Contrary, No? So ordered.

MR. LEWIS:—Mr. Chairman, I move that this Convention ratify the report of the Resolutions Committee by a standing vote.

(Motion seconded.)

(Everyone arising)

MR. LEWIS:—Mr. Chairman, on behalf of the Committee on Resolutions, I beg to state that this completes their report.

Increase Executive Committee.

MR. BUTLER:—Mr. President and Gentlemen, I overlooked a matter that I think should receive your attention at the present time. When the by-laws were amended to increase the number of the Executive Committee by one, adding thereto the retiring president, thereby making the number ten, it obviously resulted

in the requiring of six members for a quorum instead of five. If the by-laws authorized the election of one more member to the Executive Committee, making it eleven, there are still only six required for a quorum, and it will be much easier, in a good many instances, to get a quorum from eleven than from ten members. The Executive Committee is the working organization, the "Johnny-on-the-spot," so to speak, organization, and if I had followed it in time, as I should have done, I should have suggested then that the Board of Directors be authorized to elect nine instead of eight members to the Executive Committee. If that suggestion meets with the approval of you gentlemen, a motion from the floor to that effect would be in order, and I will see that the proper amendment is made.

MR. HALE:—I make that motion.

MR. LEWIS:—And I second it.

THE CHAIRMAN:—Gentlemen, you have heard the motion as suggested by Mr. Butler, our attorney. All those in favor will signify it by saying Aye. Contrary, No? Unanimously carried.

I will ask the General Secretary to report the action of the Board of Directors.

Officers Announced.

MR. MORROW:—(Reading):

PRESIDENT	J. H. WHEELWRIGHT
VICE-PRESIDENTS	{ H. N TAYLOR G. H. BARKER T. H. WATKINS
GENERAL SECRETARY	J. D. A. MORROW
TREASURER	J. J. TIERNEY

Executive Committee.

J. J. WHEELWRIGHT	T. B. DAVIS
W. K. FIELD	A. M. OGLE
H. N. TAYLOR	W. H. HUFF
G. H. BARKER	GEORGE REED
T. H. WATKINS	ERSKINE RAMSEY

THE CHAIRMAN:—Gentlemen, before I introduce Mr. Callo-way, who comes from the Fuel Administration, I should like to have the gentlemen who are standing there to sit, so they can hear him, because I think he will have something very important to tell us.

There is nothing more important than the proper distribu-

tion of bituminous coal, and I therefore take great pleasure in introducing to you gentlemen Mr. A. W. Calloway, Director of Bituminous Coal Distribution, United States Fuel Administration. (Applause.)

**ADDRESS OF MR. A. W. CALLOWAY,
Director of Bituminous Coal Distribution
U. S. Fuel Administration.**

MR. CALLOWAY:—Mr. Chairman, and members of the National Coal Association, this is the first formal speech that I think I have made since I became connected with the Fuel Administration. I have talked a number of times across the table, but never have I realized the importance of the subject before us to-day more than I do at this moment. I must apologize for reading a large part of this, because I was afraid I would not be able to properly co-ordinate the subjects unless I did set them down; but after I am through with this written portion of it, I want all of you to feel perfectly free to question me, and, to the best of my ability, I shall give you an answer.

It is a great pleasure to meet and to have the privilege of addressing the members of the National Coal Association on this, the occasion of the first annual meeting, representing as you do the most important essential commodity for the winning of this great world war. It is with no small feeling of gratification that I acknowledge my personal obligation to you as a body and as individuals for the hearty co-operation which the Fuel Administration has received from you. When we look back over the past twelve months and realize that at the time of the entrance of the United States into the war the bituminous coal industry was not represented by any concrete national organization, and note that to-day, in spite of the many handicaps incident to its perfection you have an organization truly representative of the industry as a whole, ready and willing to do everything possible to assist our Country in winning this war, it is truly remarkable; and with all my heart I congratulate you both on the work you have performed and the spirit which has prompted it, and the loyal, self-sacrificing, whole-hearted devotion to the task you have assumed of meeting your share of the additional war demands.

Distribution of Bituminous Coal.

The particular subject which I want to discuss briefly is the distribution of bituminous coal during the coming year. You are more or less familiar with the organization of the Fuel Adminis-

tration and realize that we are trying to perfect a distributing machine composed of practical distributing men so far as possible, who are not only familiar with the particular branch of the distribution assigned to them, but who, to be successful, must possess other essential qualities such as a well-balanced viewpoint, a spirit of absolute fairness and justness and a realization of the seriousness of the problem confronting us, besides being willing to sacrifice any selfish personal interest to the end that the desired result may be secured. It may be that in some spots our distributing organization is weak, but, with patience and watchful care, these weaknesses can be corrected, and this is particularly true if the present spirit of co-operation that has been shown by the shippers of coal as a whole is maintained.

As you know, our plan is to divide the country into districts, placing in each district a representative who will act as a medium of contact between the Fuel Administration, National, State and Local, and the producers, shippers and consumers of coal, and it is through these district representatives that the distribution division of the Fuel Administration will function.

At a later date a descriptive plan of the distributing organization, with an outline of its functions, will be furnished by the Fuel Administration so that all persons concerned may be familiar with it.

If the production of bituminous coal were keeping pace with the consumption, it goes without saying that a distributing organization under a Government agency would be unnecessary, but it is so definitely certain that the production will fall short of the requirements that it is apparent to everyone that such an agency is essential, if the war program is to be met.

In the year 1917 the total production of bituminous coal in the United States was approximately 551,000,000 tons, which was a record tonnage, exceeding the previous record year by about 48,000,000 tons, and, despite the great handicaps under which the railroads are laboring, and the vastly increased demands for transportation of other commodities, particularly raw materials for war industries, foodstuffs and supplies for our Army and Navy, both at home and abroad, and the heavy movement of troops, etc., there is every possible reason to hope that our production this year will be close to 590,000,000 tons, but we cannot hope for any greater production this year even though the railroads were able to perform miracles, as this figure represents practically the maximum limit of labor available for coal mines, and even the 590,000,000 tons may not be reached unless some plan is devised which will prevent a further draining of mine labor for other industries or for service abroad.

Patriotism Unquestioned.

The loyalty and patriotism of the miners as a class is unquestionable, and I believe that they will respond most heartily to further calls for increased effort, disregarding, where necessary, trade union rules and sacrificing more and more their accustomed holidays, but even with all this it will not be possible to secure 100 per cent. capacity from the existing bituminous mines (being estimated to-day at not less than 750,000,000 tons per annum) unless radical measures are taken in the very near future to secure and maintain at the mines a sufficient supply of labor, and this, gentlemen, is the problem before you. You have not yet reached the limit to which you can go in the matter of securing the maximum co-operation and efficiency from your present force, but after you have done that, you will still be confronted with a serious labor shortage.

Having determined as closely as possible what the estimated bituminous production for the year will be, we must now turn to the other side of the ledger and determine as nearly as possible what is to be done with this production. Most careful estimates have been made, based upon accurate records of the consumption for the year 1917, and, by adding to these figures the estimated additional requirements for the year 1918, we are able to determine with reasonable accuracy what the total requirements for 1918 will be.

The theoretical figures ascertained by the foregoing plan are approximately 635,000,000 tons, but the changes in the war program have been so rapid that we do not believe it would be safe to assume any figure below 650,000,000 tons in our estimate of total requirements for 1918, which latter figure shows an expected shortage of 60,000,000 tons, which must be met entirely by conservation and restriction, and the further we can go with our conservation the less the necessity will be for restriction.

Where the Increases Go.

Some idea may be gained of the increased uses making up this large requirement from the following:

For industrial use the increased requirement is 35,000,000 tons.

For gas and electric utilities the increased requirement is 5,000,000 tons.

For railroad fuel the additional requirement is 12,000,000 tons.

For foreign bunkers, the increased requirement is 4,000,000 tons.

For substitution of coal for oil in the West, the increased requirement is 4,000,000 tons.

For domestic use, increased requirements is 9,000,000 tons.

This increase for domestic requirements is due to the necessary substitution of bituminous coal for anthracite coal brought about by the expected shrinkage in anthracite coal available for domestic use, and, as you know, in substituting bituminous coal for anthracite coal, it is necessary to assume one and one-half tons of bituminous to represent each ton of anthracite coal.

A few high spots in the increased bituminous demands for industrial purposes are as follows:

Smokeless powder plants, for steam purposes, about 3,000,000 tons.

Steel industries, excluding by-product coal, 13,000,000 tons.

By-product coke ovens, 5,500,000 tons.

Shipyards, 1,500,000 tons.

I want to stop long enough right now to say, gentlemen, that since I took these figures down yesterday those estimates will have to be revised; additional demands have been made upon us.

Taken as a whole, therefore, the actual requirements are estimated to be approximately 15 per cent. greater for 1918 than for 1917, while the maximum estimate of increased production for 1918 is $7\frac{1}{2}$ per cent.

Do these figures indicate to you the nature of the problem confronting the Fuel Administration and yourself when you realize that the success of the entire war program depends upon our ability to distribute the available bituminous coal in such a manner that a sufficient quantity of the proper grade of coal will be furnished to all war industries and other essential uses, and at the same time to insure a continuous supply?

We have mentioned before that the excess requirements for essential use must be met by either conservation or restriction, and of the two things naturally conservation is the lesser of the two evils, yet the harder one to regulate or enforce. A restriction of the industry will solve the problem for us, but it is, of course, the last thing to be desired. It is upon the success of the conservation program, therefore, that the continuance of industries not directly essential to the war program must depend. This conservation program has two distinct sides: the consumers' and the producers', and it is upon you men that the producers' responsibility must fall, and I am firmly convinced that, if the producers' side of the conservation plan could be carried out to the limit, more than one-half of the estimated shortage could be made up. It is a difficult task that I am

assigning to you, but not too difficult. It only means that you must eliminate all impurities possible from the coal you are asking the railroads to transport to the consumers, restoring the pre-war competitive standards of quality which in itself will result in at least a five per cent. greater efficiency over the coal now being marketed, increasing the efficiency of transportation in the same manner, improving the quality of coke, increasing the efficiency of boilers, whether in power plants, railroad locomotives or in the holds of vessels transporting our men and materials across the water, and reducing the amount of labor required in securing these results, and, after you have gone this far you cannot stop, you must go further and see that your coal is prepared even better than during the pre-war period, and, if the production of certain mines is of such a character that it should not be marketed, those mines must not be permitted to use our transportation facilities nor any portion of our insufficient labor supply, but every available miner and every available railroad car must be placed at or in those mines producing the better grades of coal.

Must Have Co-operation.

Those results cannot be obtained unless we have the complete co-operation of your Association and of the individual members of your Association, and I am charging you as the representative of the coal industry to-day with your responsibility in bringing about these results. If there is one among you, even, who is not fully alive to his responsibility in this matter and who persists in putting his own personal interests before the interests of the nation at this time, you should not permit even that one to remain a member of your Association. It is up to you to see that he does not, as you cannot afford to have your Association on record as supporting such methods.

The difference between the results obtained in the above manner and the total consumption restricted must be provided by the direct methods of conservation and direct curtailment of industries not vitally essential to the war program, and we are now operating our distributing program in accordance with the preference classification list furnished us by the War Board, which in itself will gradually operate so as to automatically bring about this result. This preference list has been sent to each of you, and you are expected to observe its provisions strictly in order that the war program requirements can be fully protected.

While it is true that, for the first four months of this year, production was materially handicapped by unusual weather con-

ditions and the rapid and to some extent largely unexpected increase in the demands on the transportation facilities of this country, it is also true that, since the latter part of April the railroads have adjusted themselves in a large measure to these conditions and to-day the production is at a rate far in excess of any previous period in our history, and the production for May will probably reach the enormous total of 50,000,000 tons, and, if the same ratio of increase could be continued throughout the year our problem of supply would be solved, but, with a very slight increase in transportation facilities we will pass the peak of our labor capacity, and we must naturally expect the usual shrinkage during the coming winter months, so that it is only by securing these high record figures during the summer months that we can even hope to reach the 590,000,000 tons before mentioned.

You might ask why it is that during the latter part of March and the month of April we were not able to secure a better transportation service, but a glance at the map before you will give you the answer. You will note the heavy line drawn from the northern boundary of New York State. Intersecting the Hudson River and swinging to the west in an almost direct line through Williamsport to Altoona, turning east through Shippensburg, past Harrisburg, south through Baltimore to the Chesapeake Bay, and, taking the territory east of this heavy line you will see how small a portion of the United States is consuming approximately 90,000,000 tons of bituminous coal alone, including 15,500,000 tons estimated requirements for Hampton Roads and Baltimore water delivery, against a total consumption of 74,000,000 tons for 1917, an increase of 20 per cent. in a district already congested and a district in which approximately no additional transportation facilities have been provided, and this tremendous increased demand at a time when a call was made upon the transportation companies to meet the peak demand for transportation of other commodities.

I want to say right here, gentlemen, that, in addition to all that, from 75 to 80—and probably nearer 80—million net tons of anthracite coal were also consumed, or will be consumed in that same territory. So you realize what a small section of the United States is consuming 170,000,000 tons of coal per annum at the present rate, and we do not know yet how much higher that consumption demand will go before the war program has been fully outlined.

Had this section of the United States been favored with the comparative transportation facilities that other sections of the United States are enjoying, there would have been a

different story to tell, but all this tonnage came pouring in through a limited number of congested gateways following the worst weather conditions known for years, and we cannot help but wonder how the railroads were able to perform as well as they did.

If you will notice there (pointing to map) I don't know how many of you can see this, but we will leave it here so you can inspect it afterwards—the limited number of gateways to reach this entire territory all shown here by these arrows coming from all parts of the coal field from the anthracite section and pouring into that one little limited area of the United States. This is only a map of half of the United States.

What can we say about the possibilities for 1919 and 1920, if this world war continues? Already we hear of great expansion to our war industries, all of which will require coal, and, if the same ratio of increased consumption is maintained through these two years, we will be faced with a demand for 800,000,000 tons of bituminous coal for the year 1920. Can we meet this demand, or are we going to reach the peak of our production capacity during the present summer and will the curve of production flatten and remain stationary for a time and then gradually descend?

In 1917, Great Britain, with 23,000 more miners produced 7,000,000 less tons of coal than was produced by her in 1916.

These are problems you have to consider, gentlemen, and I do not believe you can for one moment question their importance. You have done well, but you must do better. There can be no let up to our efforts, to our sacrifices, nor our accomplishments, for we are in this war to win, and win we must and win we will.

You cannot help but realize the full gravity of the situation and the absolute necessity for implicit observance of the requests made upon you by the Distribution Department of the Fuel Administration. Regardless of the natural disturbances to your regular trade conditions, customs and channels, it is only by the most careful apportionment, both as to quantity and quality, that we can even reasonably hope to meet the demands of those who are entrusted with the grave duty of determining the war's necessities, and our entire program is based upon your compliance with these conditions. Naturally there will be mistakes of judgment, but every possible effort will be made to bring about the necessary changes in distribution methods with the least possible disturbance, and we will at all times cheerfully welcome any suggestions and assistance you can give us. We will even welcome criticism, as it is only through criticism that we can hope to learn of and remedy our mistakes.

Coal Men on Trial.

The Coal Men of this Nation are on trial, not only before the American people, but before our boys in the trenches and the millions fighting with them side by side in this great battle for Democracy—right—justice. Are you going to be weighed in the balance and found wanting? I know you are not. Your country needs to-day, as she never needed before, that great power stored up within herself, and calls upon you to realize it in this her hour of need. You can do it. You must do it. You will do it. Get behind the greatest War President the world has ever known, and let the world know that you are behind him and will stay behind him until this fight is over and you have helped to win this war.

THE CHAIRMAN :—Gentlemen, perhaps some one of you may want to ask some questions in regard to the coal distribution that is interesting to you and to others, and if so, Mr. Calloway will be very glad to answer it.

MR. MORROW :—I would like to ask Mr. Calloway if he could say a few words about the quantity of war business as located in the districts or area marked up by that red line there, as we would be all interested to learn about it.

What Others Are Doing.

MR. CALLOWAY :—I don't want to take up all the time and wear out your patience, but I will do the best I can to answer your question.

So far as we have been able to determine, the increased demands for the war program have been very largely from this particular congested territory, and it may be a revelation to you gentlemen to know that at this particular moment 85 per cent. of that demand is in that little section; and the Distribution Department of the Fuel Administration has been working very hard for four or five weeks to impress that upon those who are entrusted in forming the war program.

To-day there is not a plant located or shipyard or the extension of a plant where the question of coal supply is involved at all, that all concerned do not confer with the Fuel Administration to ascertain what the possibility is for supplying coal to that particular section; and there is to-day the greatest possible co-ordination between the war industries, the Railroad Administration and the Fuel Administration; and they realize that only a limited amount of coal can go through those gateways until they build more railroads and make more terminal facilities. The production for the early part of this year was closed up to some extent

by the withdrawal of ships from the coal-carrying trade, but we are promised more ships for coal particularly for the New England business, and the more of the New England coal we can take to New England by water, the better we can serve this congested industrial territory all rail.

That will itself improve the car supply in such district as the Central Pennsylvania and the Baltimore & Ohio territories.

The Clean Coal Question.

I want to say a few words very briefly about the clean coal problem. There is a new clean coal order I understand signed by Dr. Garfield yesterday and published to-day which makes the inspection of coal a little more imperative, and will in its effects automatically bring about the conditions which are necessary to secure better coal.

I know doubtless in your minds what you are saying to yourselves and would like to say to me: "Hell, we can get the clean coal if you can make our miners mine it better."

That is true. We understand that problem, and I want to say to you that we are so studying this inspection plan with a view to getting tied up with it the absolute co-ordination of the miners, and some kind of a system by which the Fuel Administration will be brought into direct contact with those miners in this very important issue to-day.

I also want to thank those members of this Association who have so cheerfully and willingly loaned to the Fuel Administration their best men. You have no idea what a relief it is to realize that we are now commencing to get around us men who are thoroughly competent and qualified, men who have the confidence of the coal people and of the consumers. But I want to go a little further and say to you gentlemen that we have got to have some more, and any of you who feel that you have a man of ability who can be spared, won't you please offer that man to us so that we may have his name on our list and be able to call upon additional help at short notice. We are very short handed now, and it is going to be necessary for us to have additional help, particularly in view of the serious condition that has arisen since Sunday.

I wish I could tell you more about that, but I cannot, except this—that the most drastic instructions regarding the distribution of coal that have yet been sent out have gone out. Certain parts of the war program are not being met; their coal requirements are not being met, because we have been trying so hard to disturb other things as little as possible and hoping against

hope that the increased production would automatically settle the problem. It has not done so.

It has become necessary, therefore, for the Priorities Committee to issue to us a very drastic request, which will take from this preference list certain things and put them on a special list to be known as the "Aa" list, and regardless of what our distribution plan was last week, this new plan will have to be met; and, gentlemen, I want you to meet it.

The burden has been put upon us; we have been told it has to be met, and I am passing that message on to you. You are all members of the Fuel Administration, every one of you, and you have got to carry your part of this burden. Do not wait to argue, do not say we would rather send it here than there; but send it, and for God's sake send it quick, it is needed.

The country is calling for it, and we cannot take time to argue. If we make mistakes, there is a time to correct them, to talk about them and to protest, but in the meantime, ship the coal where it is needed at this time and bring the questions and arguments about it up afterwards. (Prolonged applause.)

MR. WATKINS ON CLEAN COAL.

MR. WATKINS:—Mr. Chairman, as chairman of the Clean Coal Committee of the National Coal Association, I would like to say a word in connection with the remarks that Mr. Calloway has made to-day on the subject of clean coal. I want to put the National Coal Association in the position of having made a record, of realizing the importance of this question early last year. They appointed a committee of four experienced and representative producing men, some of them much more experienced than I was, who studied the subject and gave the benefit of their opinion and their advice to the operators, then members of the National Coal Association. Many operators are now members of it that were not members then. We called attention to the very pertinent things—that impurities meant lack of efficiency, the useless waste of power, man power, cars, and so forth. The subject cannot be talked about too much, in my opinion.

The figures show a progressive rate of inefficiency for every one per cent. of ash that is astounding. Some of us did not realize how one per cent. of impurity was allowed to get into the coal. We have already learned something through this war. The question now is how much can we, by co-operation with our miners, most of whom are loyal, as most of us are loyal—how can we give to them that intelligent scientific information that is

necessary for them to have to appreciate that when a piece of impurity is allowed to go into a lot of coal, the great harm it does.

I was told to-day, in the intermission, by one of the Fuel Administrators, who is a coal man, that a considerably larger percentage of coal—I do not care to mention it at this moment; the percentage was too large—was ash, per carload, which they had analyzed. It is still growing to a great degree. We have not yet done all that we can to clean the coal. We have not got the entire co-operation of the miners. We can only get that co-operation by educating them to the importance of the problem and I want to add that the National Coal Association, having already committed itself early in the proposition, can still, in my judgment, commit itself to the request that Mr. Calloway makes with redoubled efforts. (Applause.)

THE CHAIRMAN:—Gentlemen, I take great pleasure in introducing one of our Directors, who is Director of State Distribution, United States Fuel Administration. His address is on the State Fuel Administrators in Distribution. (Applause.)

ADDRESS OF MR. A. M. OGLE.

MR. OGLE:—Mr. President and fellow members of the National Coal Association—and my friends from Indiana:—I notice, in looking over the remarks made by Mr. Morrow yesterday, that he advised you that a carefully edited speech had been prepared for him which established a record and that, with that record distinctly established, he felt free to say what he pleased and thoroughly enjoy himself while talking with you.

I find myself in no such fortunate or happy situation, and the record will be established by what I am saying to you here and now, and I only ask that in rendering your verdict you temper justice with mercy.

There are two words that have been used and re-used all over the country and particularly at Washington until by endless repetition they now strike almost dead upon the ear and convey practically no significant meaning. To the lack of the things for which those words stand has been blamed all of the mistakes, the delays and the failures that have occurred in carrying out our war program.

In working out the program for the Fuel Administration in relation to the distribution of coal, it is our purpose to re-incarnate those words and revive the old spirit and meaning, and we propose to establish the fullest possible co-operation and

co-ordination between all consumers of coal and the two field branches of the distribution division, the State Fuel Administrator's branch and the District Representatives' branch. To establish that full co-operation and co-ordination, we have drawn up a definite program of distribution which sets out first the foundation upon which the distribution will be built, the distribution program, and that foundation is the preference list as established by the War Industries Board at Washington. The War Industries Board has already issued Preference List No. 1. That Preference List No. 1 includes a number of classified industries beginning with aircraft production plants and winding up, I think, with wire rope, and so forth. To establish the plants, individual plants that come under each one of those classifications, the Fuel Administrator has been asked by the War Industries Board to communicate with the State and Local Fuel Administrators the wish that they should assemble lists in each community of all the plants, manufacturing plants, indicating for each one whether or not they come under one of the classifications set up by the War Industries Board, and, if so, under what classifications.

War Industries Board.

In addition to that, the War Industries Board is announcing from time to time the names of individual plants that will be put upon this preference list. And yesterday I understand they introduced a new problem for us, and one which was apparently absolutely necessary and essential of solution, and that was to establish degrees of preferences. In the first class they have put certain consumers of coal beginning with railroads including the by-product plants, and the bunker coal requirements exclusive of pleasure craft, and they will undoubtedly add certain others to that list, that is, the first list; and that list will stand above all others and will receive not only sufficient coal to meet the current requirements, but also sufficient to establish a safe storage or stock of coal before some date that we will fix when that detail is worked out, in order that they may go through the winter safely and without any possible interruption. With that preference list established, with the assistance of the State and Local Fuel Administrators—and a copy of this preferred list will be furnished each representative of the district for reference and to each state representative—and in accordance therewith we will make distribution of the coal in accordance with specific instructions from the War Industries Board from time to time.

We are sending out this week, we hope, and surely not later than the first of next week, this complete plan, and with it will go letters to the State Fuel Administrators and the district representatives which will explain in detail just what each branch is to do and how they are to communicate with each other, and how they are to co-ordinate with each other.

The exchange of information will be carried on through a system of reports. The reports will start first from the operator. The operator will be required to make just one set of reports. In many districts they are making those reports now. They will consist of a copy of the manifest, if the operator desires, and if not a total list of the number of cars shipped during each day, and the consignees. From that list received from the operators, the district representatives will compile weekly reports, one copy going to the State Fuel Administration, and one to the administration at Washington. Those reports will show, compiled, the total shipments into each State during the preceding week classified without certain classes. The classifications you will be interested in and I will give them to you briefly:

The Classifications.

First. Railroads.

Second. Army and Navy.

Third. State and County Institutions.

Fourth. Public Utilities.

Fifth. Retail dealers.

Sixth. Manufacturing plants on the preferred list.

Seventh. The manufacturing plants not on the preferred list.

All except the last classification will get 100 per cent. coal requirements before any distribution is made to that last class and they will have to absorb all the shortage.

From those reports, the State Fuel Administrators will be enabled to see how much coal is shipped into the territory and from it they will be able to determine whether or not it is being established, that is, these shipments in accordance with the established allotment for each state, which allotments will be established or determined by Washington, and each State Fuel Administrator will be advised of his allotment and each district representative will be advised as to the allotment he is to ship into that state.

From the reports that go into Washington, a complete compilation will be made which will show the situation all over the country from week to week, and whether or not we are making progress in establishing stocks of coal at the vital and

essential points. If not, proper instructions can be issued from Washington to assist in correcting any errors that have been made in the distribution.

The consumers of coal in each community will also be required to make weekly reports which are very simple; they are on postal cards and they are required to make them in duplicate: One to go to the State Fuel Administrator and one to Washington. All the reports that come into Washington will go to Mr. Leshner, who will have charge of the Statistical Division, and who will compile them. Reports from the consumer will show the stock on hand at the first of the week, receipts during the week, and consumption throughout the week and the stock on hand at the end of the week. All that the State Fuel Administrator or his local assistant will have to do will be to run through those reports and see whether or not a sufficient stock is being carried by the essential plants, and whether or not they are making progress in accumulating a stock, and he will be able to indicate to the district representatives as to which plant should have particular attention, and he will do so each week. At Washington, the reports will be compiled again as a whole, so as to show the situation all over the country in regard to the stocks of coal.

The Statistical Division at Washington, after compiling these reports, will issue weekly reports showing the general situation all over the country. These reports will go to the State Fuel Administrators and to the district representatives. That, in brief, is the plan. There are many details, of course, which it would be a waste of time and dull talking to enumerate.

There are many district representatives here to-day, and if any of them care to bring up any particular points, I would be very glad to have them do so and ask questions. Before I close, I would like to leave this thought with you:

There are two branches to the Fuel Administration: One is the State Fuel Administrators' Branch with their County and Local Administrators. That branch is composed of men who have been requisitioned into this work by Washington, or who have volunteered to do the work. They are men who have been selected in each district because they command the respect and confidence of their constituents in each district.

They are serving in this cause entirely through unselfish and generous reasons; they are serving to help so distribute this coal that there will be the least possible interference with the industrial activities of this country, and upon them entirely will depend the decision in each community as to who gets down and who goes without whenever there is a shortage. They have

to assume that authority, acting, of course, upon the general policies laid down by Washington, and upon the advice from the War Industries Board as to who is on the preference list. They have the difficult end of this program, they are the men who have up to date been least acquainted with the details of the coal industry.

You men on the other side, the coal operators and their representatives that they have selected in each producing district, the district representatives, are the men who have been fully acquainted with the coal industry, who know the machinery that has been used in the past for the distribution of coal and who, in addition to serving generously and patriotically, have their own industry and reputation at stake.

They have, in addition, a patriotic stimulus, and the personal—not a selfish motive, but a personal—interest which the State Fuel Administrators do not have. You are striving, in addition to serving your country, to maintain the reputation of your own industry. Let us, as coal operators, and as district representatives, keep that clearly in mind, in dealing with the State Fuel Administrators, and when they make requests of requisitions, let it be our policy to respond to the fullest possible extent in every case, and whenever it is not possible to comply, or fulfill a request or requisition, let us advise the State Fuel Administrators fully as to the reasons, and, at the same time, by following the program that will be set out for you, set the machinery in motion which will help the State Fuel Administrators to solve other problems in cases of emergency.

Let us not obstruct or interfere or make difficult their task, because it is an extremely difficult one.

I thank you. (Applause.)

PROTEST POSSIBLE LEGISLATION.

THE CHAIRMAN:—Gentlemen, I want to call your attention to a very important matter. It is House Bill 346, introduced on April 3, 1917, and its purpose is to prevent the pollution of navigable rivers or other bodies of water under the control of the United States.

It reads, in part, as follows:

“That it shall be unlawful for any person, persons, firms or corporations to put in, permit, or otherwise place any substance, refuse, mineral matter, vegetable matter, compound, or anything into any navigable river or other body of water under the control of the United States that will contaminate, injure, pollute or ren-

der the water otherwise than natural for fishes, beasts and water supply for drinking purposes.”

Section 3 of that Bill provides :

“That any person, firm or corporation convicted under section one of this Act shall be fined not less than \$500 nor more than \$5,000.”

You know, gentlemen, sulphur water is not good for fishes and, therefore, I think that there should be some action taken by this body. That has been suggested by your Board of Directors, and I would like to hear from some of the members in regard to that.

A Resolution.

MR. GARDINER:—Mr. Chairman, in that connection, I should like to offer the following resolution:

“*Whereas*, a measure has been introduced in the House of Representatives of the United States Congress as H. R. 346, for the alleged purpose ‘to prevent the pollution of the navigable rivers or other bodies of water under the control of the United States.’

Whereas, the enactment of the said measure into a law will suspend the operation of numerous coal mines within the United States and cause a tremendous decrease in the production of coal at a time when there is need for an increase in production. Be it therefore

Resolved, That the representatives of the coal industry of the United States in national convention assembled, protest against the enactment of House Bill No. 346 and appeal to the commercial bodies of the United States and the industrial and manufacturing interests of the country to join with us in protesting against the enactment into law of the above-named measure.

Resolved, That we petition every member of the United States Senate and House of Representatives to do everything in their power to defeat the pending measure in the interest of increased production of coal.”

MR. LEWIS:—I move the adoption of that resolution.

A VOICE:—I second the motion.

THE CHAIRMAN:—It has been moved and seconded that the resolution be adopted. All in favor will signify by saying “Aye;” those opposed, “No.” It is unanimously adopted.

MINING SUPPLIES AND PRIORITY.

There is a question I would like to hear about, mining supplies. I think it is rather important. Is Mr. Guthrie here? (No response.)

Stated briefly, I understand the mine supplies, your steel and other things coming in, are not on your preferred list, and it is very important that this matter be taken up with the Fuel Administration, so that we can continue to operate our mines by having mine supplies put in the proper order of preferentials.

MR. GUTHRIE:—Mr. Chairman, some days ago I received in Pittsburgh, from the Pittsburgh Screw and Bolt Company, a circular letter, stating that they could not obtain steel with which to make bolts or nuts to fill the United Coal Corporation's orders, unless we showed an order number. Their circular was somewhat vague as to what we were to show, but it was perfectly plain that they were not going to be able to get the steel unless it was demonstrated to the satisfaction of the Pittsburgh Screw and Bolt Company and the authorities in Washington that the bolts and nuts and screws which were to be made from that steel were for mining purposes only—mining, I believe, being an exception after the proper certificate is obtained. Later, the Pittsburgh Screw and Bolt Company told us that if we would certify on our purchasing agent's requisition that the bolts and nuts and screws covered by the requisition were to be made for mining purposes only, that would be sufficient, and upon that certificate they would be able to obtain the steel from which to manufacture.

I was not satisfied with that and I referred it to the National Coal Association, Mr. Callahan. Mr. Callahan returns a blank form, and it is on my desk now. I have not been at home, I have not had an opportunity to read it. I understand from Mr. Calloway in the anteroom that the blank contemplates the answering of ten questions either by the purchaser, in that case the Coal Company, or the manufacturer, the Pittsburgh Screw & Bolt Co.

Now, my attention has just been called to a similar case where the Superior Supply Company of Bluefield, W. Va., is in receipt of a communication from Dillworth Porter & Co., of Pittsburgh, declining to quote on three-eighths by one-half spikes, the standard mining spike, because the Director of Steel has not made any provision for such use of steel; a similar case of the same company where they are unable to obtain priority order on John A. Roebling & Sons for wire rope on the claim that the

Director of Steel has made no provision. In those cases application has already been made by the Superior Supply Company on the Priorities Board for an order and the order has been declined on the theory that no priority orders will be issued for material for stock. I do not know the status of the Superior Supply Co., but I assume it to be either a general store company or a subsidiary of some mining company through which they are ordering supplies and which has been in the habit of keeping these supplies on hand.

I want to bring this matter to the attention of the National Coal Association now and make this explanation prior to offering a resolution to the effect: That it is the sense of the National Coal Association that steps must be taken by the National Fuel Administration to make it possible for mining companies and mining supply companies to secure the materials both manufactured and raw which are necessary for the continued operation of the mines.

THE CHAIRMAN:—Is there a second to that motion?

SEVERAL VOICES:—Second the motion.

MR. GUTHRIE (continuing):—Therefore, be it resolved that this Association request its national officers to immediately bring to the attention of the National Fuel Administration the vital necessity of providing the mining industry of the United States with the obtaining of the class of supplies of finished and raw which it is necessary to have in order to keep the mines going.

Of course, this is not a part of the motion, what follows. At present it is six months' delivery, six months' delivery of wire rope and similar things, on spikes. We all know what the question of deliveries is at the present time. In the case of these requests for priorities, I notice by the dates that they have been in the process of correspondence from the 15th of February to the first of May, and it is still a matter of correspondence between the Priorities Board and the people who are trying to get the supplies. If we are to be confronted with two or three months' delay in our efforts to get priority orders, and on top of that a six months' to nine months' delay in wire rope, if you please, there are going to be mines in this country that are not operating because they have no wire rope. The same thing will be true of other vital supplies, and I urgently ask the vigorous attention of the national officials to this point.

The motion was duly seconded.

THE CHAIRMAN:—It is moved and seconded. Are there any remarks? (No response.) All in favor will signify by

saying "Aye;" to the contrary (none). The motion is carried unanimously.

What is the pleasure of this meeting, gentlemen?

MR. WALSH:—I move we adjourn.

The motion was duly seconded.

THE CHAIRMAN:—It is moved and seconded we adjourn. All in favor will signify by saying "Aye;" to the contrary, "No" (none).

I, therefore, declare this convention adjourned.

Whereupon the convention adjourned.

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